Development Budget - Northwest-2 Base

		ANNUAL								
		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Cash Flows										
Net Income and Proceeds										
Net Operating Income	$ 6,945,584	$ -	$ (805,838)	$ 947,391	$ 1,275,332	$ 1,305,546	$ 1,336,345	$ 1,367,734	$ 1,399,716	$ 119,358
Condo Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Cost of Sale	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Asset Reversion Value	$ 18,662,876	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 18,662,876
Cost of Sale	$ (746,515)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (746,515)
Total Net Income and Proceeds	$ 24,861,945	$ -	$ (805,838)	$ 947,391	$ 1,275,332	$ 1,305,546	$ 1,336,345	$ 1,367,734	$ 1,399,716	$ 18,035,719
Development Costs										
Acquisition Cost	$ (1,174,500)	$ -	$ (1,174,500)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Percentage complete	100%	0%	25%	75%	0%	0%	0%	0%	0%	0%
Construction Costs	$ (13,680,013)	$ -	$ (3,420,003)	$ (10,260,009)	$ -	$ -	$ -	$ -	$ -	$ -
Soft Costs	$ (1,338,008)	$ -	$ (334,502)	$ (1,003,506)	$ -	$ -	$ -	$ -	$ -	$ -
Other Costs	$ (1,035,368)	$ -	$ (258,842)	$ (776,526)	$ -	$ -	$ -	$ -	$ -	$ -
Total Development Costs	$ (17,227,888)	$ -	$ (5,187,847)	$ (12,040,041)	$ -	$ -	$ -	$ -	$ -	$ -
Unlevered Cash Flow	$ 7,634,057	$ -	$ (5,993,685)	$ (11,092,650)	$ 1,275,332	$ 1,305,546	$ 1,336,345	$ 1,367,734	$ 1,399,716	$ 18,035,719
Unlevered IRR	6.97%									
Levered Cash Flow										
Total Unlevered Cash Flow	$ 7,634,057	$ -	$ (5,993,685)	$ (11,092,650)	$ 1,275,332	$ 1,305,546	$ 1,336,345	$ 1,367,734	$ 1,399,716	$ 18,035,719
Construction Loan										
Construction Interest Payments	$ (578,275)	$ -	$ (36,147)	$ (484,446)	$ (57,683)	$ -	$ -	$ -	$ -	$ -
Construction Mortgage Draw	$ 11,574,006	$ -	$ 3,395,596	$ 8,140,916	$ 37,494	$ -	$ -	$ -	$ -	$ -
Construction Loan Payment	$ (11,574,006)	$ -	$ -	$ -	$ (11,574,006)	$ -	$ -	$ -	$ -	$ -
Perm Loan										
Perm Loan Proceeds	$ 11,379,048	$ -	$ -	$ -	$ 11,379,048	$ -	$ -	$ -	$ -	$ -
Perm Loan Debt Service Payment	$ (4,093,388)	$ -	$ -	$ -	$ (750,455)	$ (818,678)	$ (818,678)	$ (818,678)	$ (818,678)	$ (68,223)
Perm Loan Repayment	$ (10,588,699)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (10,588,699)
Subsidy Loan										
Subsidy Loan Proceeds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subsidy Loan Payment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subsidy Loan Repayment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Levered Cash Flow	$ 3,752,741	$ -	$ (2,634,235)	$ (3,436,179)	$ 309,730	$ 486,869	$ 517,668	$ 549,056	$ 581,038	$ 7,378,796
Levered IRR	8.85%									
Levered undiscounted profit	$ 3,752,741									
Return on Assets (RoA)	104%									
Return on investments (RoI)	#DIV/0!									
Discount rate (annual)	7.0%									
Net present value (NPV)	$ 516,247									

Cash Flows - Northwest-2 Base

Revenues		Pre-Closing	Year 1 2009	Year 2 2010	Year 3 2011	Year 4 2012	Year 5 2013	Year 6 2014	Year 7 2015	Year 8 2016	Year 9 2017	Year 10 2018
RENTAL INCOME												
Residential Income			-	-	-	-	-	-	-	-	-	-
Less: Vacancy			-	-	-	-	-	-	-	-	-	-
Office Income			1,908,360	1,965,611	2,024,579	2,085,316	2,147,876	2,212,312	2,278,682	2,347,042	2,417,453	2,489,977
Less: Vacancy			(1,908,360)	(491,403)	(242,949)	(250,238)	(257,745)	(265,477)	(273,442)	(281,645)	(290,094)	(298,797)
Retail Income			264,195	272,121	280,284	288,693	297,354	306,274	315,463	324,927	334,674	344,715
Less: Vacancy			(264,195)	(68,030)	(33,634)	(34,643)	(35,682)	(36,753)	(37,856)	(38,991)	(40,161)	(41,366)
Total Future Rents			-	1,678,299	2,028,280	2,089,128	2,151,802	2,216,356	2,282,847	2,351,332	2,421,872	2,494,529
Total Rental Income			-	1,678,299	2,028,280	2,089,128	2,151,802	2,216,356	2,282,847	2,351,332	2,421,872	2,494,529
HOTEL INCOME												
Room Income			-	-	-	-	-	-	-	-	-	-
Other Income			-	-	-	-	-	-	-	-	-	-
Less: Expenses			-	-	-	-	-	-	-	-	-	-
Less: Vacancy			-	-	-	-	-	-	-	-	-	-
Total Hotel Income			-	-	-	-	-	-	-	-	-	-
Other Income												
Other Income	5%		-	-	-	-	-	-	-	-	-	-
Parking Income			-	42,696	51,600	53,148	54,742	56,385	58,076	59,819	61,613	63,461
Miscellaneous			-	-	-	-	-	-	-	-	-	-
Total Other Income			-	42,696	51,600	53,148	54,742	56,385	58,076	59,819	61,613	63,461
Total Revenues			-	1,720,995	2,079,880	2,142,276	2,206,545	2,272,741	2,340,923	2,411,151	2,483,485	2,557,990
Expenses			2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Residential Operating Expenses (hardcoded)	**Per Unit**											
Payroll and Benefits	$ 4,500		-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance			-	-	-	-	-	-	-	-	-	-
Utilities			-	-	-	-	-	-	-	-	-	-
Insurance			-	-	-	-	-	-	-	-	-	-
Leasing Office and Advertising			-	-	-	-	-	-	-	-	-	-
Professional Fees			-	-	-	-	-	-	-	-	-	-
Administrative			-	-	-	-	-	-	-	-	-	-
Amenity	$ -		-	-	-	-	-	-	-	-	-	-
Misc. Expense	$ -		-	-	-	-	-	-	-	-	-	-
Total Res. Operating Expenses	$ 4,500		-	-	-	-	-	-	-	-	-	-
Residential Management Expense	$ 135	3%	-	-	-	-	-	-	-	-	-	-
Taxes (Unit Based)	$ 1,500		-	-	-	-	-	-	-	-	-	-
OR Taxes/Exp (SF Based)	$ 10.00		743,850	773,604	804,548	836,730	870,199	905,007	941,208	978,856	1,018,010	1,058,730
Total Other Expenses			743,850	773,604	804,548	836,730	870,199	905,007	941,208	978,856	1,018,010	1,058,730
Total Expenses	$ 6,145		743,850	773,604	804,548	836,730	870,199	905,007	941,208	978,856	1,018,010	1,058,730
NOI			(743,850)	947,391	1,275,332	1,305,546	1,336,345	1,367,734	1,399,716	1,432,295	1,465,475	1,499,260

Rental Analysis (Future Rents) - Northwest-2 Base

NEW CONSTRUCTION ANALYSIS		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Vacancy														
Residential		100.00%	25.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
Retail		100.00%	25.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
Office		100.00%	25.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
Hotel		100.00%	25.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%

CONDO DATA

Base Sales Price PSF	$	400.00
Average SF per Unit		-

ABSORPTION

Month	21	22	23	24	25	26	27	28	29	30	31	32	33	34
Units Available	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sold	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Proceeds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

COSTS

Total Costs		17,506,227
Rental + Income Gen	100%	17,506,227
Condo	0%	0

Project Summary - Northwest-2 Bonus

Sources and Uses				Total
Construction Sources				-
Construction Loan - Rental			$	29,538,528
Construction Loan - Condo			$	-
Grants			$	-
Subsidy Loans			$	-
Equity			$	15,905,361
TOTAL			$	45,443,890
Permanent Sources				
Permanent Debt		65%	$	29,538,528
Grants		0%	$	-
Subsidy Loans		0%	$	-
Repaid Condo Loan		0%	$	-
Equity		35%	$	15,905,361
TOTAL		100%	$	45,443,890
Uses				
Hard Costs - Mixed Use	$	150	$	24,705,000
Hard Costs - Garage	$	60	$	8,849,580
Water Fees	$	6,000	$	-
Other Fees	$	4,000	$	-
AH Equivalent Fees				
Construction Operating Expenses			$	3,322,274
Soft Costs		10.0%	$	3,355,458
Financing Costs			$	595,660
Construction Period Interest			$	2,145,418
Land Acquisition			$	2,470,500
Total Project Cost			$	45,443,890

Program	Total	Units
Non Parking GSF	164,700	
Efficiency Factor	95.0%	
Residential NSF	-	-
Hotel NSF	-	-
Retail NSF	12,825	
Office NSF	143,640	
TOTAL NSF	156,465	
Parking SF	147,493	410

Unit Mix	Size (NSF)	#	Total SF	Sale Per Unit
Studio				
Condo	800	-	-	320,000
Rental	779	-	-	
Market	779	-	-	
Affordable/Middle	779	-	-	
1BR				
Condo	985	-	-	393,880
Rental	1,000	-	-	
Market	1,000	-	-	
Affordable/Middle	1,000	-	-	
2BR				
Condo	1,154	-	-	461,432
Rental	*1,154*		-	
Market	1,154	-	-	
Affordable/Middle	1,154	-	-	
3BR				
Condo	1,350	-	-	540,000
Rental	1,350	-	-	
Market	1,350	-	-	
Affordable/Middle	1,350	-	-	
TOTAL		-	-	

Returns	UNLEVERED		LEVERED
Internal Rate of Return	8.06%		11.19%
Net Present Value @ 7%		$	3,573,207

Project Assumptions - Northwest-2 Bonus

Development Type / Cost

Selection:	4	1	2	3	4	5	6	7
Development Type	Concrete Frame Mid Rise	Concrete Frame High Rise	Concrete Frame High Rise	Concrete Frame Mid Rise	Concrete Frame Mid Rise	Steel Frame Low Rise	Steel Frame Low Rise	Podium with Stick
Parking Type	Above Ground Parking	Underground Parking	Above Ground Parking	Underground Parking	Above Ground Parking	Underground Parking	Above Ground Parking	Parking
PSF Cost Bldg (Plus fitout)	$ 150.00	$ 185.00	$ 185.00	$ 165.00	$ 150.00	$ 150.00	$ 150.00	$ 200.00
PSF Cost Garage	$ 60.00	$ 72.00	$ 59.14	$ 72.00	$ 60.00	$ 72.00	$ 52.00	$ -
Maximum Stories	11	30	30	11	11	4	4	4

Project Timing Assumptions

Dates	Start Date	
Start Date	Jan-09	
Year	2009	
Inflation	Rate	Real Growth
Revenues/Rents	3.0%	2.2%
Expenses	4.0%	3.0%
Construction (2007 Turner index)	3.0%	2.2%
Design and Predevelopment	Start Month	Duration
	6	3
Construction	Duration	
	15	
	Percentage	Units / Month
Rental Absorption		
Year 1	#DIV/0!	10
Year 2	#DIV/0!	10
Year 3	#DIV/0!	10
Office	months	6
Vacancy Percentage		11%
For Sale Absorption		
Pre-sale %		25%
Monthly absorption		4

Hotel Assumptions

ADR	$ 150.00
Occupancy Rate	78%
Non-Room Revenue	15%
Expenses	65%
SF per Room	408

Income Assumptions

(market rate)	
Res Rental (Gross Market PSF)	$ 21.00
Retail (Net PSF)	$ 20.00
Office (Net PSF)	$ 37.00
Parking (Per month/space)	$ 24.00
Res Sales (PSF)	$ 400.00
Broker Fees / Legal	4%
AMI	$ 69,100.00

Site Information

Lot Size (SF)	40,061
Zoning FAR allowed	4.10
FAR Goal	164,250
Stories	8
Lot Coverage	75%
Parking per SF	402.0
Space per Unit/Room	#DIV/0!
Above Ground FAR SF	164,700
Non-Parking	164,700
Parking	147,493

Acquisition Information

Basis	PSF of Development Rights
Value	$ 15.00
Total Cost	$ 2,470,500

Financing Assumptions

	Value
LTV	65%
DCR	1.2
Construction Interest Rate	6%
Permanent Interest Rate	6%
Permanent Term	30
Cap Rate	8%
Const Loan (Rental) Fee	1%
Const Loan (Condo) Fee	1%
Perm Loan Fee	1%

Development Budget - Northwest-2 Bonus

		ANNUAL Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Monthly Cash Flows										
Net Income and Proceeds										
Net Operating Income	$ 16,417,396	$ -	$ (1,695,038)	$ (1,627,236)	$ 3,686,664	$ 3,780,341	$ 3,876,151	$ 3,974,131	$ 4,074,319	$ 348,063
Condo Sales	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-
Cost of Sale	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-
Asset Reversion Value	$ 54,324,253	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	54,324,253
Cost of Sale	$ (2,172,970)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	(2,172,970)
Total Net Income and Proceeds	$ 68,568,679	$ -	$ (1,695,038)	$ (1,627,236)	$ 3,686,664	$ 3,780,341	$ 3,876,151	$ 3,974,131	$ 4,074,319	$ 52,499,346
Development Costs										
Acquisition Cost	$ (2,470,500)	$ -	$ (2,470,500)	$ -	$ -	$ -	$ -	$ -	$ -	-
Percentage complete	100%	0%	20%	80%	0%	0%	0%	0%	0%	0%
Construction Costs	$ (34,306,762)	$ -	$ (6,861,352)	$ (27,445,409)	$ -	$ -	$ -	$ -	$ -	-
Soft Costs	$ (3,355,458)	$ -	$ (671,092)	$ (2,684,366)	$ -	$ -	$ -	$ -	$ -	-
Other Costs	$ (3,917,933)	$ -	$ (783,587)	$ (3,134,347)	$ -	$ -	$ -	$ -	$ -	-
Total Development Costs	$ (44,050,653)	$ -	$ (10,786,531)	$ (33,264,122)	$ -	$ -	$ -	$ -	$ -	-
Unlevered Cash Flow	$ 24,518,026	$ -	$ (12,481,568)	$ (34,891,358)	$ 3,686,664	$ 3,780,341	$ 3,876,151	$ 3,974,131	$ 4,074,319	$ 52,499,346
Unlevered IRR	8.06%									
Levered Cash Flow										
Total Unlevered Cash Flow	$ 24,518,026	$ -	$ (12,481,568)	$ (34,891,358)	$ 3,686,664	$ 3,780,341	$ 3,876,151	$ 3,974,131	$ 4,074,319	$ 52,499,346
Construction Loan										
Construction Interest Payments	$ (2,145,418)	$ -	$ (75,624)	$ (1,032,364)	$ (1,037,430)	$ -	$ -	$ -	$ -	-
Construction Mortgage Draw	$ 30,027,446	$ -	$ 7,060,401	$ 22,292,716	$ 674,330	$ -	$ -	$ -	$ -	-
Construction Loan Payment	$ (30,027,446)	$ -	$ -	$ -	$ (30,027,446)	$ -	$ -	$ -	$ -	-
Perm Loan										
Perm Loan Proceeds	$ 29,538,528	$ -	$ -	$ -	$ 29,538,528	$ -	$ -	$ -	$ -	-
Perm Loan Debt Service Payment	$ (9,563,314)	$ -	$ -	$ -	$ (885,492)	$ (2,125,181)	$ (2,125,181)	$ (2,125,181)	$ (2,125,181)	(177,098)
Perm Loan Repayment	$ (27,720,762)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	(27,720,762)
Subsidy Loan										
Subsidy Loan Proceeds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-
Subsidy Loan Payment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-
Subsidy Loan Repayment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-
Total Levered Cash Flow	$ 14,627,061	$ -	$ (5,496,792)	$ (13,631,006)	$ 1,949,154	$ 1,655,160	$ 1,750,970	$ 1,848,951	$ 1,949,138	$ 24,601,486
Levered IRR	11.19%									
Levered undiscounted profit	$ 14,627,061									
Return on Assets (RoA)	118%									
Return on Investments (RoI)	#DIV/0!									
Discount rate (annual)	7.0%									
Net present value (NPV)	$ 3,573,207									

Cash Flows - Northwest-2 Bonus

Revenues		Pre-Closing	Year 1 2009	Year 2 2010	Year 3 2011	Year 4 2012	Year 5 2013	Year 6 2014	Year 7 2015	Year 8 2016	Year 9 2017	Year 10 2018
RENTAL INCOME												
Residential Income			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Less: Vacancy			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Office Income			$ 5,314,680	$ 5,474,120	$ 5,638,344	$ 5,807,494	$ 5,981,719	$ 6,161,171	$ 6,346,006	$ 6,536,386	$ 6,732,478	$ 6,934,452
Less: Vacancy			$ *(5,314,680)*	$ *(5,474,120)*	$ *(620,218)*	$ *(638,824)*	$ *(657,989)*	$ *(677,729)*	$ *(698,061)*	$ *(719,002)*	$ *(740,573)*	$ *(762,790)*
Retail Income			$ 264,195	$ 272,121	$ 280,284	$ 288,693	$ 297,354	$ 306,274	$ 315,463	$ 324,927	$ 334,674	$ 344,715
Less: Vacancy			$ *(264,195)*	$ *(272,121)*	$ *(30,831)*	$ *(31,756)*	$ *(32,709)*	$ *(33,690)*	$ *(34,701)*	$ *(35,742)*	$ *(36,814)*	$ *(37,919)*
Total Future Rents			$ -	$ -	$ 5,267,579	$ 5,425,607	$ 5,588,375	$ 5,756,026	$ 5,928,707	$ 6,106,568	$ 6,289,765	$ 6,478,458
Total Rental Income			$ -	$ -	$ 5,267,579	$ 5,425,607	$ 5,588,375	$ 5,756,026	$ 5,928,707	$ 6,106,568	$ 6,289,765	$ 6,478,458
HOTEL INCOME												
Room Income			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Income			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Less: Expenses			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Less: Vacancy			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Hotel Income			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Income												
Other Income	5%		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Parking Income			$ -	$ -	$ 111,410	$ 114,753	$ 118,195	$ 121,741	$ 125,393	$ 129,155	$ 133,030	$ 137,021
Miscellaneous			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Other Income			$ -	$ -	$ 111,410	$ 114,753	$ 118,195	$ 121,741	$ 125,393	$ 129,155	$ 133,030	$ 137,021
Total Revenues			$ -	$ -	$ 5,378,990	$ 5,540,359	$ 5,706,570	$ 5,877,767	$ 6,054,100	$ 6,235,723	$ 6,422,795	$ 6,615,479

Expenses	Per Unit	Pre-Closing	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Residential Operating Expenses (hardcoded)												
Payroll and Benefits	$ 4,500		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Repairs and Maintenance			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Utilities			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Insurance			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Leasing Office and Advertising			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Professional Fees			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Administrative			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Amenity	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Misc. Expense	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Res. Operating Expenses	$ 4,500		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Residential Management Expense	$ 135	3%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes (Unit Based)	$ 1,500		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
OR Taxes/Exp (SF Based)	$ 10.00		$ 1,564,650	$ 1,627,236	$ 1,692,325	$ 1,760,018	$ 1,830,419	$ 1,903,636	$ 1,979,781	$ 2,058,973	$ 2,141,332	$ 2,226,985
Total Other Expenses			$ 1,564,650	$ 1,627,236	$ 1,692,325	$ 1,760,018	$ 1,830,419	$ 1,903,636	$ 1,979,781	$ 2,058,973	$ 2,141,332	$ 2,226,985
Total Expenses	$ 6,145		$ 1,564,650	$ 1,627,236	$ 1,692,325	$ 1,760,018	$ 1,830,419	$ 1,903,636	$ 1,979,781	$ 2,058,973	$ 2,141,332	$ 2,226,985
NOI			$ (1,564,650)	$ (1,627,236)	$ 3,686,664	$ 3,780,341	$ 3,876,151	$ 3,974,131	$ 4,074,319	$ 4,176,751	$ 4,281,464	$ 4,388,494

Rental Analysis (Future Rents) - Northwest-2 Bonus

NEW CONSTRUCTION ANALYSIS		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Vacancy														
Residential		100.00%	100.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%
Retail		100.00%	100.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%
Office		100.00%	100.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%
Hotel		100.00%	100.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%

CONDO DATA

Base Sales Price PSF	$	400.00
Average SF per Unit		-

ABSORPTION

Month	24	25	26	27	28	29	30	31	32	33	34	35	36	37
Units Available	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sold	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Proceeds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

COSTS

Total Costs		45,443,890
Rental + Income Gen	100%	45,443,890
Condo	0%	0

Project Summary - Northwest-3 Base

Sources and Uses	Total	Units
Construction Sources		
Construction Loan - Rental		$ -
Construction Loan - Condo		$ 5,220,671
Grants		$ -
Subsidy Loans		$ -
Equity		$ 2,811,131
TOTAL		$ 8,031,801
Permanent Sources		
Permanent Debt	0%	$ -
Grants	0%	$ -
Subsidy Loans	0%	$ -
Repaid Condo Loan	65%	$ 5,220,671
Equity	35%	$ 2,811,131
TOTAL	100%	$ 8,031,801
Uses		
Hard Costs - Mixed Use	$ 185	$ 6,387,125
Hard Costs - Garage	$ -	$ -
Water Fees	$ 6,000	$ 144,000
Other Fees	$ 4,000	$ 96,000
Construction Operating Expenses		$ 39,000
Soft Costs	10.0%	$ 638,713
Financing Costs		$ 53,033
Construction Period Interest		$ 156,056
Land Acquisition		$ 517,875
Total Project Cost		$ 8,031,801

Program	Total	Units
Non Parking GSF	34,525	
Efficiency Factor	83.0%	
Residential NSF	28,656	24
Hotel NSF	-	-
Retail NSF	-	
Office NSF	-	
TOTAL NSF	28,656	
Parking SF	19,514	60

Unit Mix	Size (NSF)	#	Total SF	Sale Per Unit
Studio				
Condo	800	-	-	232,000
Rental	779	-	-	
Market	779	-	-	
Affordable/Middle	779	-	-	
1BR				
Condo	985	-	-	285,563
Rental	1,000	-	-	
Market	1,000	-	-	
Affordable/Middle	1,000	-	-	
2BR				
Condo	1,194	24.00	28,656	346,260
Rental	1,194	-	-	
Market	1,194	-	-	
Affordable/Middle	1,194	-	-	
3BR				
Condo	1,350	-	-	391,500
Rental	1,350	-	-	
Market	1,350	-	-	
Affordable/Middle	1,350	-	-	
TOTAL		24	28,656	

Returns	UNLEVERED	LEVERED
Internal Rate of Return	9.11%	12.25%
Net Present Value @ 7%		$ 160,907

Project Assumptions - Northwest-3 Base

Development Type / Cost

Selection:	7	1	2	3	4	5	6	7
Development Type	Podium with Stick	Concrete Frame High Rise	Concrete Frame High Rise	Concrete Frame Mid Rise	Concrete Frame Mid Rise	Steel Frame Low Rise	Steel Frame Low Rise	Podium with Stick
Parking Type	Parking	Underground Parking	Above Ground Parking	Underground Parking	Above Ground Parking	Underground Parking	Above Ground Parking	Parking
PSF Cost Bldg (Plus fitout)	$ 185.00	$ 185.00	$ 185.00	$ 175.00	$ 175.00	$ 150.00	$ 150.00	$ 185.00
PSF Cost Garage	$ -	$ 72.00	$ 57.00	$ 72.00	$ 57.00	$ 72.00	$ 42.00	$ 72.00
Maximum Stories	4	30	30	11	11	4	4	4

Project Timing Assumptions

Dates	Start Date	
Start Date	Jan-09	
Year	2009	
Inflation	Rate	Real Growth
Revenues/Rents	3.0%	2.0%
Expenses	4.0%	2.6%
Construction (2007 Turner index)	3.0%	2.0%
Design and Predevelopment	Start Month	Duration
	6	2
Construction	Duration	
	10	
	Percentage	Units / Month
Rental Absorption		
Year 1	2.5	10
Year 2	100%	10
Year 3	100%	10
Office	months	15
Vacancy Percentage		10%
For Sale Absorption		
Pre-sale %		25%
Monthly absorption		4

Hotel Assumptions

ADR	$ 150.00
Occupancy Rate	78%
Non-Room Revenue	15%
Expenses	65%
SF per Room	625

Income Assumptions

(market rate)	
Res Rental (Gross Market PSF)	$ 18.00
Retail (Net PSF)	$ 20.00
Office (Net PSF)	$ 33.00
Parking (Per month/space)	$ 72.00
Res Sales (PSF)	$ 290.00
Broker Fees / Legal	4%
AMI	$ 69,100.00

Site Information

Lot Size (SF)	34,774
Zoning FAR allowed	1.00
FAR Goal	34,774
Stories	3
Lot Coverage	33%
Parking per SF	575.0
Space per Unit/Room	813
Above Ground FAR SF	34,525
Non-Parking	34,525
Parking	19,514

Acquisition Information

Basis	PSF of Development Rights
Value	$ 15.00
Total Cost	$ 517,875

Financing Assumptions

Financing Assumptions	Value
LTV	65%
DCR	1.2
Construction Interest Rate	6%
Permanent Interest Rate	6%
Permanent Term	30
Cap Rate	7%
Const Loan (Rental) Fee	1%
Const Loan (Condo) Fee	1%
Perm Loan Fee	1%

Development Budget - Northwest-3 Base

		ANNUAL Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Cash Flows										
Net Income and Proceeds										
Net Operating Income	$ 6,401	$ -	$ (39,000)	$ 7,955	$ 7,792	$ 7,608	$ 7,402	$ 7,173	$ 6,919	$ 553
Condo Sales	$ 8,731,758	$ -	$ -	$ 8,731,758	$ -	$ -	$ -	$ -	$ -	$ -
Cost of Sale	$ (349,270)	$ -	$ -	$ (349,270)	$ -	$ -	$ -	$ -	$ -	$ -
Asset Reversion Value	$ 98,836	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 98,836
Cost of Sale	$ (3,953)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (3,953)
Total Net Income and Proceeds	$ 8,483,772	$ -	$ (39,000)	$ 8,390,442	$ 7,792	$ 7,608	$ 7,402	$ 7,173	$ 6,919	$ 95,436
Development Costs										
Acquisition Cost	$ (517,875)	$ -	$ (517,875)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Percentage complete	100%	0%	40%	60%	0%	0%	0%	0%	0%	0%
Construction Costs	$ (6,514,237)	$ -	$ (2,605,695)	$ (3,908,542)	$ -	$ -	$ -	$ -	$ -	$ -
Soft Costs	$ (638,713)	$ -	$ (255,485)	$ (383,228)	$ -	$ -	$ -	$ -	$ -	$ -
Other Costs	$ (332,033)	$ -	$ (132,813)	$ (199,220)	$ -	$ -	$ -	$ -	$ -	$ -
Total Development Costs	$ (8,002,858)	$ -	$ (3,511,868)	$ (4,490,990)	$ -	$ -	$ -	$ -	$ -	$ -
Unlevered Cash Flow	$ 480,914	$ -	$ (3,550,868)	$ 3,899,453	$ 7,792	$ 7,608	$ 7,402	$ 7,173	$ 6,919	$ 95,436
Unlevered IRR	9.11%									
Levered Cash Flow										
Total Unlevered Cash Flow	$ 480,914	$ -	$ (3,550,868)	$ 3,899,453	$ 7,792	$ 7,608	$ 7,402	$ 7,173	$ 6,919	$ 95,436
Construction Loan										
Construction Interest Payments	$ (156,056)	$ -	$ (24,808)	$ (131,248)	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)
Construction Mortgage Draw	$ 5,303,294	$ -	$ 2,298,840	$ 3,004,454	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Construction Loan Payment	$ (5,303,294)	$ -	$ -	$ (5,303,294)	$ -	$ -	$ -	$ -	$ -	$ -
Perm Loan										
Perm Loan Proceeds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Perm Loan Debt Service Payment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Perm Loan Repayment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subsidy Loan										
Subsidy Loan Proceeds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subsidy Loan Payment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subsidy Loan Repayment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Levered Cash Flow	$ 324,858	$ -	$ (1,276,837)	$ 1,469,366	$ 7,792	$ 7,608	$ 7,402	$ 7,173	$ 6,919	$ 95,436
Levered IRR	12.25%									
Levered undiscounted profit	$ 324,858									
Return on Assets (RoA)	106%									
Return on Investments (RoI)	1.11									
Discount rate (annual)	7.0%									
Net present value (NPV)	$ 160,907									

Cash Flows - Northwest-3 Base

Revenues		Pre-Closing	Year 1 2009	Year 2 2010	Year 3 2011	Year 4 2012	Year 5 2013	Year 6 2014	Year 7 2015	Year 8 2016	Year 9 2017	Year 10 2018
RENTAL INCOME												
Residential Income			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Less: Vacancy			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Office Income			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Less: Vacancy			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Retail Income			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Less: Vacancy			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Future Rents			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Rental Income			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
HOTEL INCOME												
Room Income			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Income			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Less: Expenses			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Less: Vacancy			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Hotel Income			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Income												
Other Income	5%	.	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Parking Income			$ -	$ 48,090	$ 49,533	$ 51,019	$ 52,549	$ 54,126	$ 55,750	$ 57,422	$ 59,145	$ 60,919
Miscellaneous			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Other Income			$ -	$ 48,090	$ 49,533	$ 51,019	$ 52,549	$ 54,126	$ 55,750	$ 57,422	$ 59,145	$ 60,919
Total Revenues			$ -	$ 48,090	$ 49,533	$ 51,019	$ 52,549	$ 54,126	$ 55,750	$ 57,422	$ 59,145	$ 60,919

Expenses	Per Unit		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Residential Operating Expenses (hardcoded)												
Payroll and Benefits	$ 4,000		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Repairs and Maintenance			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Utilities			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Insurance			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Leasing Office and Advertising			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Professional Fees			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Administrative			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Amenity	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Misc. Expense	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Res. Operating Expenses	$ 4,000		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Residential Management Expense	$ 120	3%	$ -	$ 2,696	$ 2,804	$ 2,916	$ 3,032	$ 3,154	$ 3,280	$ 3,411	$ 3,547	$ 3,689
Taxes (Unit Based)	$ 1,500		$ 36,000	$ 37,440	$ 38,938	$ 40,495	$ 42,115	$ 43,800	$ 45,551	$ 47,374	$ 49,268	$ 51,239
OR Taxes (SF Based)	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Other Expenses			$ 36,000	$ 37,440	$ 38,938	$ 40,495	$ 42,115	$ 43,800	$ 45,551	$ 47,374	$ 49,268	$ 51,239
Total Expenses	$ 5,620		$ 36,000	$ 40,136	$ 41,741	$ 43,411	$ 45,147	$ 46,953	$ 48,831	$ 50,784	$ 52,816	$ 54,928
NOI			$ (36,000)	$ 7,955	$ 7,792	$ 7,608	$ 7,402	$ 7,173	$ 6,919	$ 6,638	$ 6,329	$ 5,991

Rental Analysis (Future Rents) - Northwest-3 Base

NEW CONSTRUCTION ANALYSIS		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Vacancy														
Residential		100.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Retail		100.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Office		100.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Hotel		100.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%

CONDO DATA

Base Sales Price PSF	$	290.00
Average SF per Unit		1,194

ABSORPTION

Month	18	19	20	21	22	23	24	25	26	27	28	29	30	31
Units Available	24	18	14	10	6	2	0	0	0	0	0	0	0	0
Sold	6	4	4	4	4	2	0	0	0	0	0	0	0	0
Proceeds	$ 2,171,748	$ 1,451,403	$ 1,454,982	$ 1,458,571	$ 1,462,168	$ 732,887	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

COSTS

Total Costs		8,031,801
Rental + Income Gen	0%	0
Condo	100%	8,031,801

Project Summary - Northwest-3 Bonus

Sources and Uses			Total
Construction Sources			
Construction Loan - Rental			$ -
Construction Loan - Condo			$ 14,750,601
Grants			$ -
Subsidy Loans			$ -
Equity			$ 7,942,631
TOTAL			$ 22,693,232
Permanent Sources			
Permanent Debt		0%	$ -
Grants		0%	$ -
Subsidy Loans		0%	$ -
Repaid Condo Loan		65%	$ 14,750,601
Equity		35%	$ 7,942,631
TOTAL		100%	$ 22,693,232
Uses			
Hard Costs - Mixed Use	$	160	$ 15,056,000
Hard Costs - Garage	$	55	$ 3,764,023
Water Fees	$	6,000	$ 390,000
Other Fees	$	4,000	$ 260,000
Construction Operating Expenses			$ 109,094
Soft Costs		10.0%	$ 1,882,002
Financing Costs			$ 150,248
Construction Period Interest			$ 563,990
Land Acquisition			$ 517,875
Total Project Cost			$ 22,693,232

Program	Total	Units
Non Parking GSF	94,100	
Efficiency Factor	83 0%	
Residential NSF	78,103	65
Hotel NSF	-	-
Retail NSF	-	
Office NSF	-	
TOTAL NSF	78,103	
Parking SF	68,615	140

Unit Mix	Size (NSF)	#	Total SF	Sale Per Unit
Studio				
Condo	800	-	-	248,000
Rental	779	-	-	
Market	779	-	-	
Affordable/Middle	779	-	-	
1BR				
Condo	985	-	-	305,257
Rental	1,000	-	-	
Market	1,000	-	-	
Affordable/Middle	1,000	-	-	
2BR				
Condo	1,202	65.00	78,103	372,493
Rental	1,202		-	
Market	1,202	-	-	
Affordable/Middle	1,202	-	-	
3BR				
Condo	1,350	-	-	418,500
Rental	1,350	-	-	
Market	1,350	-	-	
Affordable/Middle	1,350	-	-	
TOTAL		65	78,103	

Returns	UNLEVERED	LEVERED
Internal Rate of Return	10.25%	13.92%
Net Present Value @ 7%		$ 588,213

Project Assumptions - Northwest-3 Bonus

Development Type / Cost

Selection:	4	1	2	3	4	5	6	7
Development Type	Concrete Frame Mid Rise Above Ground	Concrete Frame High Rise	Concrete Frame High Rise	Concrete Frame Mid Rise	Concrete Frame Mid Rise	Steel Frame Low Rise	Steel Frame Low Rise	Podium with Stick
Parking Type	Parking	Underground Parking	Above Ground Parking	Underground Parking	Above Ground Parking	Underground Parking	Above Ground Parking	Parking
PSF Cost Bldg (Plus fitout)	$ 160.00	$ 185.00	$ 185.00	$ 160.00	$ 160.00	$ 150.00	$ 150.00	$ 185.00
PSF Cost Garage	$ 54.86	$ 72.00	$ 57.00	$ 72.00	$ 54.86	$ 72.00	$ 42.00	
Maximum Stories	11	30	30	11	11	4	4	4

Project Timing Assumptions

Dates	Start Date	
Start Date	Jan-09	
Year	2009	
Inflation	Rate	Real Growth
Revenues/Rents	3.0%	2.2%
Expenses	4.0%	3.0%
Construction (2007 Turner index)	3.0%	2.2%
Design and Predevelopment	Start Month	Duration
	6	3
Construction	Duration	
	12	
	Percentage	Units / Month
Rental Absorption		
Year 1	0.461538462	10
Year 2	100%	10
Year 3	100%	10
Office	months	15
Vacancy Percentage		10%
For Sale Absorption		
Pre-sale %		25%
Monthly absorption		4

Hotel Assumptions

ADR	$ 150.00
Occupancy Rate	78%
Non-Room Revenue	15%
Expenses	65%
SF per Room	625

Income Assumptions

(market rate)	
Res Rental (Gross Market PSF)	$ 18.90
Retail (Net PSF)	$ 20.00
Office (Net PSF)	$ 33.00
Parking (Per month/space)	$ 72.00
Res Sales (PSF)	$ 310.00
Broker Fees / Legal	4%
AMI	$ 69,100.00

Site Information

Lot Size (SF)	34,774
Zoning FAR allowed	2.75
FAR Goal	95,629
Stories	10
Lot Coverage	46%
Parking per SF	672.0
Space per Unit/Room	1,056
Above Ground FAR SF	94,100
Non-Parking	94,100
Parking	68,615

Acquisition Information

Basis	PSF of Development Rights
Value	$ 15.00
Total Cost	$ 517,875

Financing Assumptions

	Value
LTV	65%
DCR	1.2
Construction Interest Rate	6%
Permanent Interest Rate	6%
Permanent Term	30
Cap Rate	7%
Const Loan (Rental) Fee	1%
Const Loan (Condo) Fee	1%
Perm Loan Fee	1%

Development Budget - Northwest-3 Bonus

		ANNUAL Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Monthly Cash Flows										
Net Income and Proceeds										
Net Operating Income	$ (101,476)	$ -	$ (105,625)	$ 3,454	$ 2,470	$ 1,414	$ 281	$ (934)	$ (2,233)	$ (302)
Condo Sales	$ 25,811,596	$ -	$ -	$ 11,104,834	$ 14,706,762	$ -	$ -	$ -	$ -	$ -
Cost of Sale	$ (1,032,464)	$ -	$ -	$ (444,193)	$ (588,270)	$ -	$ -	$ -	$ -	$ -
Asset Reversion Value	$ (31,906)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (31,906)
Cost of Sale	$ 1,276	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,276
Total Net Income and Proceeds	$ 24,647,027	$ -	$ (105,625)	$ 10,664,095	$ 14,120,962	$ 1,414	$ 281	$ (934)	$ (2,233)	$ (30,932)
Development Costs										
Acquisition Cost	$ (517,875)	$ -	$ (517,875)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Percentage complete	100%	0%	25%	75%	0%	0%	0%	0%	0%	0%
Construction Costs	$ (19,241,905)	$ -	$ (4,810,476)	$ (14,431,429)	$ -	$ -	$ -	$ -	$ -	$ -
Soft Costs	$ (1,882,002)	$ -	$ (470,501)	$ (1,411,502)	$ -	$ -	$ -	$ -	$ -	$ -
Other Costs	$ (909,342)	$ -	$ (227,336)	$ (682,007)	$ -	$ -	$ -	$ -	$ -	$ -
Total Development Costs	$ (22,551,125)	$ -	$ (6,026,187)	$ (16,524,937)	$ -	$ -	$ -	$ -	$ -	$ -
Unlevered Cash Flow	$ 2,095,902	$ -	$ (6,131,812)	$ (5,860,842)	$ 14,120,962	$ 1,414	$ 281	$ (934)	$ (2,233)	$ (30,932)
Unlevered IRR	10.25%									
Levered Cash Flow										
Total Unlevered Cash Flow	$ 2,095,902	$ -	$ (6,131,812)	$ (5,860,842)	$ 14,120,962	$ 1,414	$ 281	$ (934)	$ (2,233)	$ (30,932)
Construction Loan										
Construction Interest Payments	$ (563,990)	$ -	$ (28,102)	$ (501,039)	$ (34,848)	$ (0)	$ (0)	$ (0)	$ (0)	$ (0)
Construction Mortgage Draw	$ 15,024,824	$ -	$ 3,935,288	$ 11,066,885	$ 22,651	$ 0	$ 0	$ 0	$ 0	$ 0
Construction Loan Payment	$ (15,024,824)	$ -	$ -	$ (11,104,834)	$ (3,919,990)	$ -	$ -	$ -	$ -	$ -
Perm Loan										
Perm Loan Proceeds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Perm Loan Debt Service Payment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Perm Loan Repayment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subsidy Loan										
Subsidy Loan Proceeds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subsidy Loan Payment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subsidy Loan Repayment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Levered Cash Flow	$ 1,531,913	$ -	$ (2,224,626)	$ (6,399,832)	$ 10,188,775	$ 1,414	$ 281	$ (934)	$ (2,233)	$ (30,932)
Levered IRR	13.92%									
Levered undiscounted profit	$ 1,531,913									
Return on Assets (RoA)	110%									
Return on Investments (RoI)	1.19									
Discount rate (annual)	7.0%									
Net present value (NPV)	$ 588,213									

Cash Flows - Northwest-3 Bonus

			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenues		Pre-Closing	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
RENTAL INCOME												
Residential Income			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Less: Vacancy			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Office Income			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Less: Vacancy			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Retail Income			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Less: Vacancy			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Future Rents			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Rental Income			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
HOTEL INCOME												
Room Income			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Income			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Less: Expenses			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Less: Vacancy			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Hotel Income			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Income												
Other Income	5%		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Parking Income			$ -	$ 112,154	$ 115,519	$ 118,985	$ 122,554	$ 126,231	$ 130,018	$ 133,918	$ 137,936	$ 142,074
Miscellaneous			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Other Income			$ -	$ 112,154	$ 115,519	$ 118,985	$ 122,554	$ 126,231	$ 130,018	$ 133,918	$ 137,936	$ 142,074
Total Revenues			$ -	$ 112,154	$ 115,519	$ 118,985	$ 122,554	$ 126,231	$ 130,018	$ 133,918	$ 137,936	$ 142,074
Expenses			2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Residential Operating Expenses (hardcoded)	**Per Unit**											
Payroll and Benefits	$ 4,000		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Repairs and Maintenance			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Utilities			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Insurance			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Leasing Office and Advertising			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Professional Fees			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Administrative			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Amenity	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Misc. Expense	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Res. Operating Expenses	$ 4,000		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Residential Management Expense	$ 120	3%	$ -	$ 7,301	$ 7,593	$ 7,897	$ 8,212	$ 8,541	$ 8,883	$ 9,238	$ 9,607	$ 9,992
Taxes (Unit Based)	$ 1,500		$ 97,500	$ 101,400	$ 105,456	$ 109,674	$ 114,061	$ 118,624	$ 123,369	$ 128,303	$ 133,435	$ 138,773
OR Taxes (SF Based)	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Other Expenses			$ 97,500	$ 101,400	$ 105,456	$ 109,674	$ 114,061	$ 118,624	$ 123,369	$ 128,303	$ 133,435	$ 138,773
Total Expenses	$ 5,620		$ 97,500	$ 108,701	$ 113,049	$ 117,571	$ 122,274	$ 127,165	$ 132,251	$ 137,541	$ 143,043	$ 148,765
NOI			$ (97,500)	$ 3,454	$ 2,470	$ 1,414	$ 281	$ (934)	$ (2,233)	$ (3,623)	$ (5,107)	$ (5,691)

Rental Analysis (Future Rents) - Northwest-3 Bonus

NEW CONSTRUCTION ANALYSIS		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Vacancy														
Residential		100.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Retail		100.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Office		100.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Hotel		100.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%

CONDO DATA

Base Sales Price PSF	$	310.00
Average SF per Unit		1,202

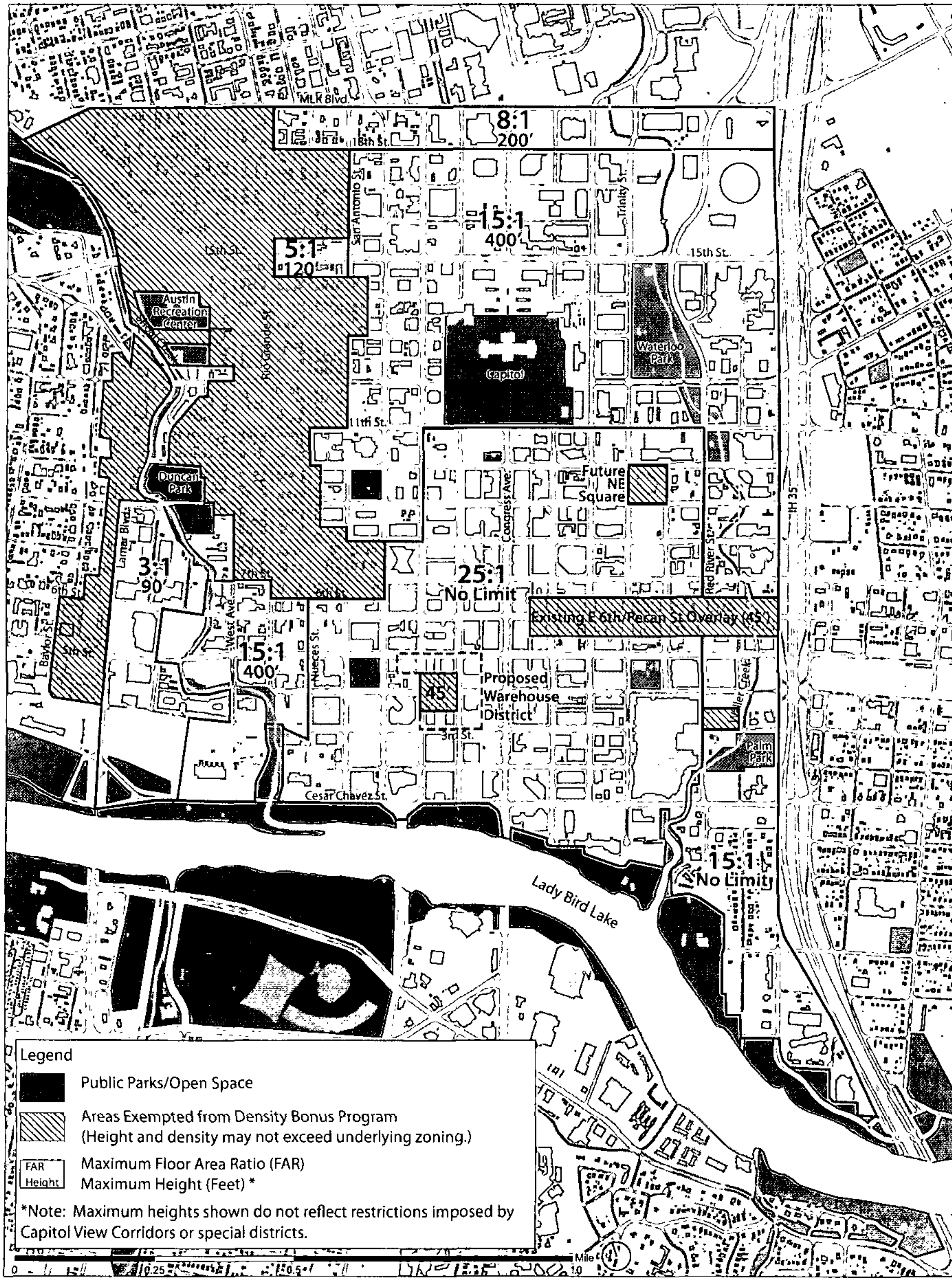
ABSORPTION

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13
Month	21	22	23	24	25	26	27	28	29	30	31	32	33	34
Units Available	65	49	45	41	37	33	29	25	21	17	13	9	5	1
Sold	16	4	4	4	4	4	4	4	4	4	4	4	4	1
Proceeds	$ 6,374,359	$ 1,572,943	$ 1,576,822	$ 1,580,711	$ 1,584,609	$ 1,588,517	$ 1,592,435	$ 1,596,362	$ 1,600,300	$ 1,604,246	$ 1,608,203	$ 1,612,169	$ 1,616,145	$ 303,775

COSTS

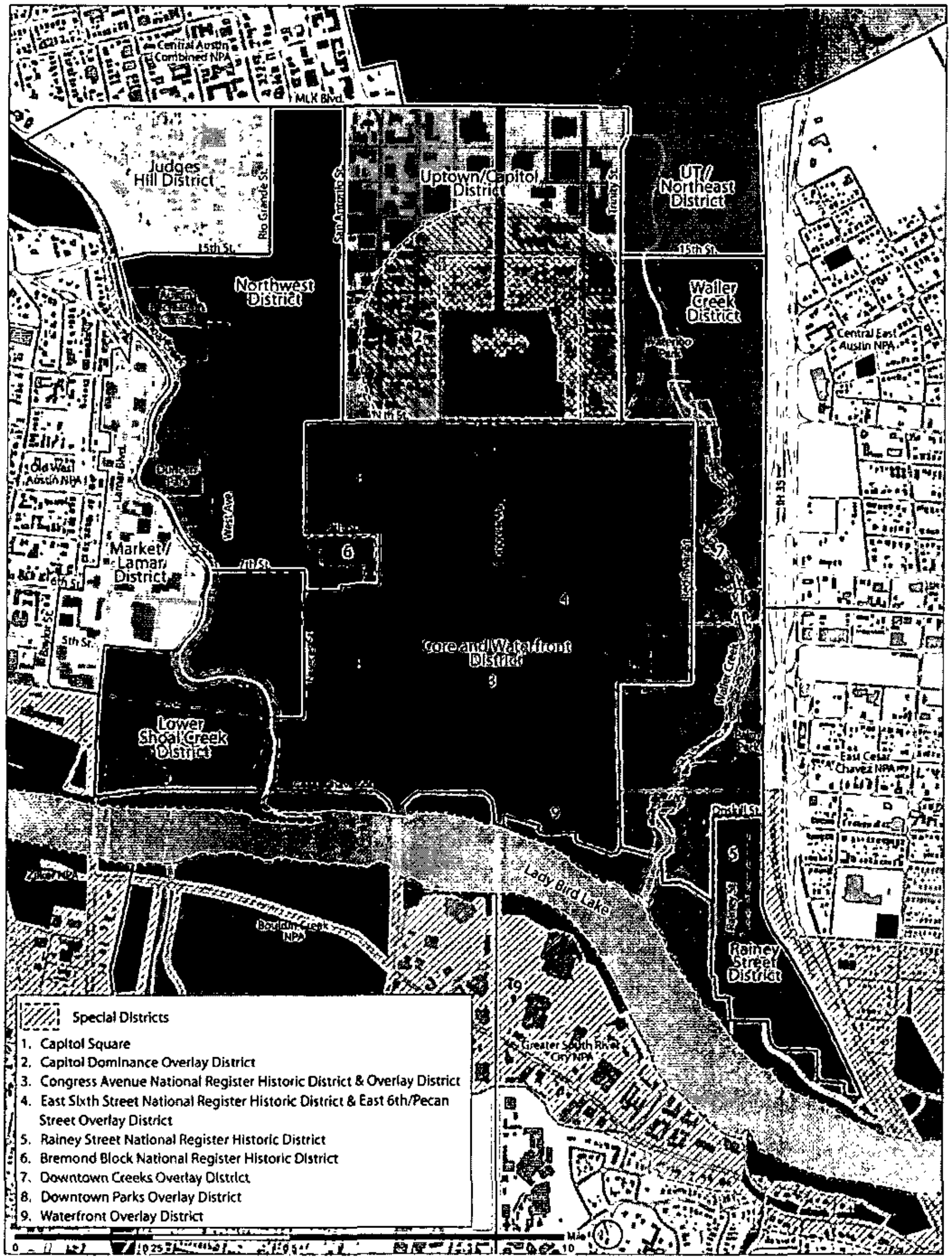
Total Costs		22,693,232
Rental + Income Gen	0%	0
Condo	100%	22,693,232

APPENDIX G



PROPOSED DENSITY BONUS PROGRAM: MAXIMUM DENSITIES AND HEIGHTS

APPENDIX H



DRAFT

POTENTIAL DOWNTOWN FORM AND CHARACTER DISTRICTS

Downtown Austin Plan

Prepared by ROMA Austin for the City of Austin

Revised June 16, 2009

City of Austin
Downtown Commission

Michael Knox, Staff Liaison
Economic Growth & Redevelopment Services Office
974-6415
michael.knox@ci.austin.tx.us

To: Mayor and City Council Members

Date: July 21, 2009

Members of the Downtown Commission have attended several of the Town Hall Meetings that were held in connection with the ROMA Design Team's Downtown Plan. We have also had several briefings by Jim Roberston and Michael Knox of the City Staff.

As you know, in August, 2006, the Downtown Commission provided City Council with comments concerning Downtown Development Resolution 20051215-056. Included with the comments were a series of detailed maps that provided an inventory of sites that may be considered to be available for development or redevelopment within the foreseeable future. These maps demonstrate that downtown Austin has a very limited inventory of developable land.

One of the significant conclusions contained in the 2006 report was the following:

> **Downtown is an island surrounded by neighborhoods that are actively concerned about how redevelopment downtown may affect them. As downtown grows, new vertical buildings will intrude into people's existing views, and the demands for horizontal space and transportation will place increased pressures for redevelopment of the adjacent neighborhoods and otherwise alter their past character.**
>
> **Highly charged emotional disputes regarding redevelopment are inevitable. If the recent experience of the public hearing regarding the Spring Tower and the opposition to other dense redevelopment projects adjacent to downtown are any indication, the Council and citizens of Austin must be prepared to withstand opposition and criticism from those that see themselves as threatened by the redevelopment of downtown. The default alternative to resolute leadership on this issue is continued sprawl or paralyzing fights over individual infill projects. As Kirk Watson has said, "You cannot be against both sprawl and density."**

The draft report of the Downtown Density Bonus Program produced by ROMA Design Group and others responds in many ways to the concerns expressed by the Downtown Commission. As an example, the ROMA report contains one conclusion that:

> **Density should be encouraged, not penalized.**

In their Town Hall presentations, the consultants and city staff include a chart that compares the density of downtown Austin with peer cities. This chart clearly demonstrates that Austin has a long way to go to catch up with those cities we consider to be models of sustainable downtowns.

If Austin is to continue to develop a sustainable downtown as a livable, workable, and recreational environment, it should capitalize on every reasonable opportunity to accomplish its downtown goals.

We are aware of the briefing to Council scheduled for this Thursday, and we wanted to inform the Council of our positions on this matter. At our regularly scheduled meeting last Wednesday, July 15, 2009, the Downtown Commission reviewed the latest Draft of the favor the Density Bonus Program. We support The Density Bonus Program with the Districts as shown, but with the following exceptions:

1. Judges Hill
2. Warehouse District
3. Sustainability
4. On-site Open Space

Attached you will find resolutions pertinent to each item above (and the rationale supporting them) that were passed by the Downtown Commission last Wednesday.

Additionally, concern was raised about the Market District, those properties on the east side of Lamar from Third to Ninth Streets. Action proposed by the Commission (and its rationale) is attached for information. Although the motion was favored by a majority of members present, it failed to muster the required majority of votes based on the total Commission membership.

I thank you for allowing us to present these matters to you. We believe that although the briefing is just that, your future action in directing staff to move forward on this process should reasonably address these concerns we have raised as well as others whose foundations are rooted in professional consultations versus the politics of the day.

Sincerely,

Stan Haas, FAIA
Chair, The Downtown Commission

RESOLUTIONS

Downtown Density Bonus Program

We favor the density bonus program with the districts as shown with the following exceptions:

Judges Hill

As it relates to the Judges Hill neighborhood, we suggest that the boundaries of the density bonus maximum FAR and height districts should not be firmly established until the definition of compatability downtown has been fully vetted.

Commission Member Weiss' motion, Commission Member Knight's second, 12-0 vote.

Rationale:

We feel it is essential to protect the primarily single-family residential area of Judge's Hill west of West Ave. from any encroachment by tall buildings or non-residential activity. However, most of the property east of West Ave. has been converted to uses other than single-family residential. This area could be considered as a prime location for multifamily residential and/or other uses related to the University of Texas and/or the State of Texas campuses.

Warehouse District

We suggest that the proposed height limit and the 25:1 Floor Area Ratio (as proposed in the draft plan for core downtown areas which surround it) be reinstated in the Warehouse District, and if it is the desire to maintain the fabric and character of this area, then measurable incentives should be developed with property owners accomplish that goal.

Commission Member Weiss' motion, Commission Member Knight's second, 8-2-1 vote.

Rationale:

As much as we recognize the contribution the Warehouse District makes to the character of downtown Austin, we have also been impressed with the logic expressed at one of the Town Hall meetings by an individual who lives at the Plaza Lofts Condominiums. He observed that downtown is not lacking for areas of bars and restaurants, but does fall short in providing a diversity of uses for people who live downtown. He liked the warehouse district as it is, but was willing to take the chance that if some of the properties were redeveloped, whatever took their places would also be a welcome addition. There is some risk that by protecting and promoting these areas in their current form, we limit the opportunities for other uses including support retail.

In addition to the above, the concern has been expressed that the imposition of a 45-foot height limitation will amount to a down zoning and/or a taking. We offer no opinion on this legal question, but point out the plan tacitly acknowledges this situation by offering additional FAR at 25:1 rather than the existing 8:1 so that owners of property in the Warehouse District may be able to sell their additional entitlements and recoup some of the value that is lost due to the height limitation. Under the plan as proposed, these owners in the aggregate would own approximately 1,800,000 additional square feet of developable air rights that could be transferred. These air rights would be offered in competition with the City of Austin in the market for providing bonus density. We think it is unlikely that as structured, the ability to transfer these air rights have much value.

Sustainability

We suggest that the requirement to meet Austin Energy Green Building standards not be the sole basis to achieving bonus density in this category. We recommended that a project could do either AEGB or the nearest equivalent in the LEED program.

Commission Member Weiss' motion, Commission Member Knight's second, 12-0 vote.

Rationale:

The LEED program is a nationally recognized program that is familiar to developers and lenders across the country. Unless there is some crucial reason to insist on the exclusive use of the Austin standards, the opportunity to use an alternative will be more user-friendly.

On-site Publicly Accessible Open Space

We suggest that the criteria of "at least 75% of the space is open to the sky" be removed and replaced with "30 foot minimum ceiling height" and a criteria of "25% minimum green space" be added.

Commission Member Schorre's motion, Commission Member Knight's second, 9-0-1 vote.

Market District

We suggest that the area north of Third Street and East of Lamar be designated as an area that is eligible to receive significant additional density.

Commission Member Weiss' motion, Commission Member Daniels' second, 7-4 vote, 8 votes required for passage.

Rationale:

This area already contains the Spring Condominium, the Nakonah Condominium and the Whole Foods Market, all of which are significantly taller than the ninety feet proposed for the remainder of the district. Much of the property within the Market District is presently assembled into developable parcels. The Whole Foods Market and the shops along Lamar provide support retail that could accommodate additional residents. Increasing density (FAR) and allowing greater height would permit these properties to be developed with a series of tall, slender buildings. We understand that additional tall buildings may encroach on the views of residents west of Lamar, but would offer the suggestion that those buildings themselves will contribute to a skyline and cityscape that has demonstrable value. People pay for city views. Further, we recommend that compatibility issues within this area be reviewed and modified to allow these larger buildings.

M E M O R A N D U M

TO: Jim Robertson and Michael Knox
Project Managers
Downtown Austin Plan

FROM: Stan Haas, Chair
Downtown Commission

DATE: June 30, 2009

RE: Affordable Housing and Density Bonus Reports

On June 17 the Downtown Commission reviewed the draft Affordable Housing and Density Bonus reports, and formally adopted these comments:

1. We suggest that ROMA consider removing height limits, to encourage taller, more slender buildings as opposed to shorter, broader buildings.

2. Density Bonus: While the Downtown Commission agrees that Downtown should be the priority area for any funds generated from the density bonus program, the Downtown commission believes that if there are opportunities to fund affordable housing units with direct transit access to downtown (i.e. the 2 mile radius around downtown, TOD's, core transit corridors with access to rapid transit) they should be explored. The priority should be given to the units closest to downtown (while looking at the number of units provided) however all opportunities with direct linkages to downtown should be considered.

3. Density Bonus in the Warehouse District: The Downtown commission would like to see the warehouse district preserved, however there is property within the district that does not have contributing structures and is free from Capitol view corridors. We believe that this property should be eligible for Density bonuses as long as the base of these structures is compatible in scale and massing to the surrounding structures.

4. ROMA should place increased emphasis on exploring options for encouraging the construction of accessory dwelling units in residential areas of the downtown impact area as a way of increasing the supply of affordable housing close to downtown.

Stan Haas, Chair
Downtown Commission

AUSTIN DESIGN COMMISSION

20 July 2009

Re: Downtown Plan Density Bonus and Affordable Housing Revision Letter

Dear Mayor and Council:

The revised Downtown Austin Plan Density Bonus and Affordable Housing recommendations were presented at a Town Hall Meeting on July 13, 2009. The following are the Design Commission comments on the Density Bonus recommendations:

- We concur that the CURE Overlay needs to be repealed, so that only the Density Bonus pathway is available. We recommend that **CURE be repealed at the earliest possible date to allow the Interim Density Bonus program to function as was originally intended** and to allow the final approved program to provide specific incentivized benefits to Downtown Austin.

- We support the Gatekeeper requirements and continue to believe that **Sustainability** should be placed within the Gatekeeper requirements (along with participation in Great Streets, adherence to the Urban Design Guidelines, and complete Design Plans and perspectives) rather than as a separate bonus option. **We do support raising the bar to the minimum of an Austin Energy 3-Star designation.**

- We continue to recommend that **all downtown projects, including those going through an administrative process for a density bonus, be presented to the Design Commission for review and comment.**

- The Design Commission would like to see a **how changes in heights and FAR limits established on the revised Density Bonus boundary map contribute to an overall vision of Downtown and a sustainable growth model**. We cannot support plan changes like the 3:1 FAR and reduced height limit in the Market District area (reduced from 15:1/400' and 5:1/120') without understanding the potential impacts that these decisions will have on future growth, especially in areas that are rich in services supporting residential development. We would request that the consultants articulate the vision for Downtown residential growth and demonstrate to the public how the changes in FAR and heights will support this vision **prior to Council action.**

- **The Design Commission does not believe that the Density Bonus boundary plan can be finalized until downtown compatibility has been fully vetted**. We believe that within the downtown boundaries, compatibility (as it is defined downtown) should only be triggered by zoning, as opposed to zoning and/or use. We support a modification of compatibility within downtown that creates a buffer to single family zoned property, but does not extend more than one complete block from the triggering property.

  We hope to work with ROMA, and interested parties including the Judges Hill Neighborhood Association, to come up with parameters for compatibility downtown that can protect existing single-family properties and accommodate growth downtown.

- Regarding the proposed Warehouse District, we believe that the city should **provide the Core Preservation Zone with true incentives in order to preserve these worthy structures**. Transfer of Development rights may be a component of an equitable solution but further examination is required.

- For residential properties, we appreciate the inclusion of **Publicly Accessible Open Space** on-site into the Community Benefits list. However, we recommend **an incremental increase of the minimum open space area from 600 s.f. for a small project up to 2500 s.f. for a large project. We also advocate adding a minimum of 25% shade, and adding 30% minimum green space,** and reducing the 75% minimum open air requirements as long as there is a specified open air distance between the plaza and the covering structure.

- We support the inclusion of **off-site public open space as a Community Benefit under Waterfront Overlay and other District Specific Bonuses**, especially for Lady Bird Lake and the downtown squares

We appreciate the opportunity to review the revised Density Bonus program and look forward to working with council on the final details prior to going to ordinance.

Respectfully,

Rick S. Weiss

Chair, Austin Design Commission

AUSTIN DESIGN COMMISSION

1 June 2009

Mayor and City Council

Re: Density Bonus and Affordable Housing and the Downtown Plan

Dear Mayor and Members of the City Council

The Downtown Austin Plan Density Bonus and Affordable Housing recommendations were presented to the Design Commission at a Joint Commission meeting with the Community Development, Downtown, Music and Planning Commissions on May 19, 2009. The following are the Design Commission comments on the Density Bonus recommendations:

- We support the Gatekeeper requirements and believe that **Sustainability** should be placed within the Gatekeeper requirements rather than as a separate bonus option and that the Sustainable threshold should be raised from the Austin Energy Green Building 2 Star suggestion at the presentation.
- For residential and mixed use properties, the Density Bonus program proposed differs from the *community vetted* list that was approved by council for the Interim Density Bonus program. As you may recall, the Interim Program was set up with 50% for Affordable and Workforce Housing and 50% for other Community Benefits. The proposed program targets "at risk" elements.
- **Open Space, Pedestrian Connectivity, Public Art, and Transit** have been excluded from the original Community Benefits list. Of these, we believe that **Open Space** is an "at risk" element that is necessary to maintain the quality of life for a downtown residential population. *
- In addition, **Family Friendly Housing** has been added to the Community Benefits list. We believe that all housing bonus provisions should be grouped together.
- The text of the document mentions that **District Specific Bonuses** would be an available option. We support their inclusion on the list.

Therefore, we recommend that Sustainability be added to the Gatekeeper requirements, that Open Space be added back into the Community Benefits List, that Family Friendly Housing be placed with the Affordable Housing portion, and that District Specific Bonuses be added to the list.

- For non-residential properties, the proposed program allows for an increase of up to 50% of Baseline Density to be given by meeting the Gatekeeper Requirements. We believe that consideration needs to be given for some form of contribution to community benefits. Sustainability greater than the Austin Energy 2 Star requirement would be worthy of consideration.
- We concur that the CURE Overlay needs to be repealed, so that only the Density Bonus pathway is available.

We recommend that **CURE be repealed** at the earliest possible date to allow the Interim Density Bonus program to function as was originally intended and to allow the final approved program to provide specific incentivized benefits to Downtown Austin.

- The proposed program exempts the Warehouse District from Density Bonus and allows for Transfer of Development Rights (TDR). This district is one of the few with no Capitol View Corridors and, therefore, the city may be missing a key opportunity for some type of density to occur on existing surface parking lots or lots with non-contributing structures.

We recommend that consideration needs to be given for exemption from Density Bonus particularly on lots with existing surface parking or lots with non-contributing structures. Separate guidelines should be crafted to require that the base of any new building match the scale of the existing warehouse structures.

- The proposed program highlights the dollars required to provide affordable housing downtown vs. the dollars required to provide within a 2 mile radius of downtown. We acknowledge the difficulty of providing lower income housing downtown and while it is regrettable that it may not be feasible to expect meaningful provision of lower income housing downtown due to land and construction costs, we do support further study of allowing affordable housing funds to be used outside of downtown in the defined impact zone, Core Transit Corridors, and in TODs. We also support serious consideration of leveraging publically owned land downtown with additional subsidy as a means to achieve lower income affordability downtown.

- We recommend that all density bonuses going through an administrative process be presented to the Design Commission for review and comment.

We appreciate the opportunity to review the proposed Density Bonus program and look forward to seeing the revised version that is scheduled to come to council this summer.

Rick S. Weiss

Chair, Austin Design Commission

* Note: Open space should be considered one of the top three priorities for a Density Bonus program; it is critical to quality of life as downtown becomes a dense, mixed-use center with a trend toward more residential. Although not recommended as the primary funding source for downtown parks, density bonuses should be one of multiple funding components that will help complete an open space network downtown, recapture and improve the quality of the Four Squares in the original Waller Grid, prevent open space from lagging behind density, and span different economic cycles. Other cities such as Portland, Boston, and New York City have used density bonuses for open space in order to help complete and enhance the open space framework that is a key element of the city's success.

ROMA
c/o Jim Adams
Jana McCann

July 16, 2009

Re: Density Bonus map/Downtown Plan

Jim and Jana,

I am writing in my capacity as President of the Board of The West End Austin Alliance ("WEAA"), a duly recognized organization representing business, real estate and neighborhood interests located on the western edge of downtown Austin. We are very interested in The Downtown Plan that you all are undertaking and are particularly concerned with the "Proposed Density Bonus Program: Maximum Densities and Heights" map in the current iteration of the Downtown Density Bonus Program. This recently drafted map shows that property generally west of Bowie Street, but east of Lamar Blvd. is limited to a 3:1 FAR and additionally limited to a 90 foot height. This area has already been developed with Spring, a 400+ foot building, Whole Foods, a 120+ foot building and the Nokonah, a 120+ foot building....all of which were supported by the City Council and Austin's Boards and Commissions.

To now suggest that this sort of development is inappropriate makes little sense to us. The Board of WEAA believes that taller buildings are appropriate in this area south of 6th St. The area is adjacent to the Whole Foods, Town Lake trail, the proposed commuter rail, etc. It is a very walkable, divers area with many pedestrian amenities, ideal for density. Our position is consistent with The Downtown Design Guidelines (adopted by the city) which show this area to be "Core Downtown" and with DANA, another organization which includes this area within its boundaries. (Interestingly, adherence to the Design Guidelines is a "Gatekeeper Requirement" of the Density Bonus program.)

We ask that you designate this area 400', 15:1 FAR just as you have done with the area immediately to the east.

Thanks for all the work that you are doing.

Sincerely,

Perry Lorenz, Board President
West End Austin Alliance

P. O. BOX
684928
AUSTIN
TEXAS
78768-4928
512-478-8774

July 8, 2009

The Honorable Lee Leffingwell
Mayor Pro Tem Martinez and Council Members
City of Austin
P.O. Box 1088
Austin, TX 78768

Re: ROMA Downtown Austin Plan Density Bonus proposal

Dear Mayor Leffingwell,

HERITAGE SOCIETY OF AUSTIN
P.O.BOX 2113
AUSTIN, TEXAS 78768
512-474-5198
FAX 512-476-8687

The Heritage Society of Austin (HSA) understands that the Council soon will consider a density bonus proposal for the in-progress Downtown Austin Plan (DAP). We respectfully ask that you place a high priority on the proposal's impact on the preservation of historic resources as you consider that item.

The Heritage Society firmly supports efforts to increase the density of Austin's downtown. This is the historic core of Austin, and it should grow as Austin does. A more residentially populated and visited downtown will offer the most viable future for adaptive use of historic buildings. Also, maximizing the use of an already developed area is aligned with historic preservation's assertion that the most sustainable model is the use of existing resources. Toward that end, we salute any efforts to encourage development in appropriate areas of downtown. In fact, we suggest that the density bonus provisions be adopted with a "sunset" provision to provide incentive for their utilization. This will also reinforce ROMA's recommendation that the bonuses be recalibrated as circumstances change.

We were pleased to see special considerations for the Northwest District, Judge's Hill and the Warehouse District when determining appropriate and compatible areas for additional density. We also ask that Council honor the Judge's Hill neighborhood's requested boundaries for exclusion from density bonuses.

We are especially concerned that landmarked and landmark-eligible historic downtown properties may become targets for demolition in the districts with density bonuses. In fulfillment of the DAP's overarching goal to "Keep Downtown authentic and diverse," we respectfully urge you to exclude from the density bonus program all properties over 50 years old, until a downtown historic resources survey is completed. Twenty-five years of historic fabric does not appear in the outdated 1984 survey. Our proposed stipulation will both protect any historically significant fabric and prevent protracted zoning cases if development projects unknowingly threaten such properties.

Assembling a survey of information on buildings over 50 years of age will allow more precise determinations of eligibility for Federal Tax Credits for Rehabilitation. This program provides a 20% federal tax credit for rehabilitation of certified historic structures when a project is completed as a certified rehabilitation and a 10% federal tax credit for a certified rehabilitation of "non-historic" properties placed into service before 1936 and rehabilitated for non-residential use. The value of these unrealized tax credits is likely to be in the tens of millions of dollars, not to mention the value that would be created by increasing the tax base and revenue potential of commercial property in downtown Austin.

Finally, the Heritage Society passionately believes that the Warehouse District must be preserved as a unique piece of the historic character of Austin and a popular draw that serves as an underpinning for the economic vitality of Downtown. We applaud the aim of the proposed DAP mechanism to offer the Transfer of Development Rights in the Warehouse District, but don't see an active market for this optional device. In addition to offering TDRs, we urge Council to protect the key blocks of this irreplaceable Austin asset. Surely our city can manage to direct development of these few blocks in a way that preserves the very essence of what makes Austin such a popular destination. The Heritage Society requests that Council direct city staff and ROMA to propose ways to institute protections for this area. Our representatives would like to serve as a resource and participant in those discussions to provide fresh ideas and models for preservation.

We appreciate your consideration of our requests and look forward to working together with you in the coming years on building a great future while respecting and celebrating our history. Thank you for all your past support.

Sincerely,

Jacqui Schraad

Jacqui Schraad
Executive Director

cc: Mayor Pro Tem Mike Martinez
Council Member Sheryl Cole
Council Member Laura Morrison
Council Member Chris Riley
Council Member Bill Spelman
Council Member Randi Shade

Michael J. McGinnis
3407 Toro Canyon Rd.
Austin, Texas 78746
mcginnmj@aol.com
512-327-7664
512-695-1331 cell

Jim Robertson
City of Austin
Neighborhood Planning and Zoning Dept.

Michael Knox
City of Austin
Economic Growth and Redevelopment Services

Jana McCann
ROMA Design Group
Austin, Texas

Via E-Mail July 11, 2009

Dear Jim, Michael, and Jana,

I noted on the latest Downtown Density Bonus Program map that the block bounded by 6th Street and 7th Street and Nueces and Rio Grande has the north 1/2 of that block excluded from the ability to take advantage of the Downtown Density Bonus Program. I gather that was a clerical error inasmuch as that tract was the subject of CBD CURE zoning about a year ago with a unanimous support of the city council as well as all overwhelming support from neighbors and every neighborhood association in which the property sits and all known recognized stakeholder organizations within the downtown, including:

Downtown Austin Neighborhood Coalition (DANCO)
Downtown Austin Neighborhood Association (DANA)
Downtown Austin Alliance (DAA)
West End Austin Alliance
Old Austin Neighborhood now "Original Austin"
5 Rivers Neighborhood Association
Central Austin Neighborhood Planning Action Committee (CANPAC)

This north half block contains obsolete late 60's buildings of a most indistinct and unattractive nature and surface parking. The balance of the block is bars, surface parking and an auto repair shop. It is hard to imagine this entire block not being a suitable place for density especially given the history, character of the block and limited opportunities for dense development in downtown.

I hope it is possible to easily correct this matter. Please be so kind as to let me know inasmuch as I am an owner of this property and this is of particular interest to me. I appreciate your help and attention in this matter.

Sincerely,

Michael J. McGinnis

FINLEY COMPANY
P.O. BOX 2086
AUSTIN, TEXAS 78768
Phone (512) 478-0885, ext. 16
Fax (512) 478-0893

July 10, 2009

(Mayor, Mayor Pro Tem, and City Council)
City of Austin
P.O. Box 1088
Austin, TX 78767-1088

RE: Proposed Down Zoning of the Core Preservation Zone within the Warehouse District

Dear ( ):

Finley Company believes that the proposed imposition of the "Core Preservation Zone" within the "Warehouse District" is an unfair down zoning of our property at the northeast corner of Lavaca Street and 4th Street (our property is occupied by Lavaca Street Bar, Halcyon, and Fado). Only the property owners inside of the one block long "Core Preservation Zone" on 4th Street between Colorado Street and Lavaca Street will suffer a down zoning. The damage to the future potential of our property through the imposition of the 45' height limit and the implied historic status will be immediate upon the imposition of the proposed new rules. Few, if any, of the buildings in the proposed "Core Preservation Zone" would meet the standards for Austin Historic Landmark status given a rigorous application of the established criteria. It is sadly ironic that Finley Company's effort 25 years ago to identify and invest in a downtown location with maximum future potential due to the lack of historic structures, CBD zoning, and no Capitol View Corridor is now being rewarded with a down zoning via height limits and denial of the density bonus benefits proposed for most of the remainder of downtown. No other area within the downtown plan area that we are aware of is proposed for down zoning through the imposition of height limits.

Finley Company respectfully requests that the proposed Warehouse District and Core Preservation Zone not be created.

However, if it is the will of the City Council that the public benefits from the preservation of the form and character of the "Warehouse District", then the entire larger "Warehouse District" should be included in the "Core Preservation Zone". We believe the current success of the district will be in jeopardy when and if the warehouses in the immediate vicinity (but outside of the Core Preservation Zone) are demolished or substantially altered. At present, some of the most desirable and successful buildings such as Sullivan's, Antone's, the former Alamo Draft House, Spaghetti Warehouse, the former home of Ginger Man, and the new home of Ginger Man, are outside of the Core Preservation Zone. If the rationale for establishing the Warehouse District is to preserve the present form and character, then the entire larger district should be included in the Core Preservation Zone. The proposal at present is a flawed compromise; the establishment of the small one block "Core Preservation Zone" within the true larger Warehouse District appears to be designed to limit opposition by harming fewer property owners, and not to maximize the long term value of the warehouse district as a unique destination.

Sincerely,
Tim Finley
Vice President
Finley Company
P.O. Box 2086
Austin, Texas 78768

Drenner & Golden
Stuart Wolff LLP
ATTORNEYS AT LAW

MICHELE C. HAUSSMANN
DIRECTOR OF
PLANNING & DEVELOPMENT

(512) 404-2233
mhaussmann@drennergolden.com

May 28, 2009

Mr. Jim Robertson
Neighborhood Planning and Zoning Department
City of Austin
505 Barton Springs Road
Austin, TX 78704

VIA HAND DELIVERY

RE: Austin Hotel Holdings LLC
0.5407 Acres Located at 201, 205 and 207 West 5TH Street and 0.422 Acres Located at 401 Colorado Street (the "Properties"); Draft Downtown Density Bonus Program Portion of the Downtown Austin Plan Phase One

Dear Mr. Robertson:

As representatives of the lessees of the above stated Properties, we respectfully submit this letter requesting the above stated Properties be withdrawn from the Proposed Warehouse District boundaries included in the draft Downtown Density Bonus Program portion of the Downtown Austin Plan Phase One dated May 11, 2009. The support for this request is as follows:

1) The property located at 201, 205 and 207 West 5th Street is developed with a vacant office building. The City issued a demolition permit for this building on June 30, 2008. A copy of the demolition permit is enclosed for your review. The building will be demolished. No historic warehouse structures are located on this site.

2) The property located at 401 Colorado is developed with a parking lot. No historic warehouse structures are located on this site.

Please let me know if you require additional information or have any questions. Thank you for your time and attention to this project.

Very truly yours,

Michele C. Haussmann

Enclosures

cc: Greg Guernsey, Neighborhood Planning and Zoning Department (via hand delivery with enclosures)
Erica Leak, Neighborhood Planning and Zoning Department (via hand deliver with enclosures)
Clark Patterson, Neighborhood Planning and Zoning Department (via hand delivery with enclosures)
Kevin Colket, Starwood Capital Group (via electronic mail without enclosures)
Dana Swope, Woodbine Development Corporation (via electronic mail without enclosures)
Sone Cavazos, Woodbine Development Corporation (via electronic mail without enclosures)
Steve Drenner, Firm (without enclosures)

City of Austin
BUILDING PERMIT

PERMIT NO: 2008-042351-BP **Type:** COMMERCIAL **Status:** Active

201 W 5TH ST **Issue Date:** 06/30/2008 **Expiry Date:** 12/27/2008

LEGAL DESCRIPTION	SITE APPROVAL	ZONING	GRID NO.
	da-2008-0380		MJ22

PROPOSED OCCUPANCY	WORK PERMITTED	ISSUED BY
Demo existing building (leave slab intact)	Demolition	Glenda Wilsford

TOTAL SQFT	VALUATION	TYPE CONST.	USE CAT.	GROUP	FLOORS	UNITS	# OF PARKING SPACES
Existing: 0	Tot Val Rem: $.00		649		2	0	

TOTAL BLDG. COVERAGE	% COVERAGE	TOTAL IMPERVIOUS COVERAGE	% COVERAGE

Contact	Telephone
Applicant, APS	(512) 474-4555
General Contractor, Absolute Demolition	(512) 918-1989

Fee Description	Fee Amount	Paid Date
Demolition Permit Fee	$44.00	06/30/2008
Demolition/Relocation Plan Review Fee	$25.00	05/29/2008
Total Fees:	$69.00	

Inspection Requirements

Building Inspection
Water Tap Inspection
Sewer Tap Inspection

Section 25-11-94 EXPIRATION AND EXTENSION OF PERMIT (Active Permits will expire 180 days at 11:59:59 pm after date of last inspection performed.)

See Mechanical, Electrical, Plumbing permits for Related Fees and Inspections.

The following permits are required as a separate permit:

Comments	Date	User

BY ACCEPTING OR PAYING FOR THIS PERMIT YOU ARE DECLARING THAT YOU ARE THE OWNER OR AUTHORIZED BY THE OWNER THAT THE DATA SUBMITTED AT THE TIME OF APPLICATION WAS TRUE FACTS AND THAT THE WORK WILL CONFORM TO THE PLANS AND SPECIFICATION SUBMITTED HEREWITH.

Drenner & Golden
Stuart Wolff LLP
ATTORNEYS AT LAW

MICHELE C. HAUSSMANN
DIRECTOR OF
PLANNING & DEVELOPMENT

(512) 404-2233
mhaussmann@drennergolden.com

July 7, 2009

Mr. Jim Robertson
Neighborhood Planning and Zoning Department
City of Austin
505 Barton Springs Road
Austin, TX 78704

VIA HAND DELIVERY

RE: S/H Austin Partnership - 3rd and Colorado Hotel
0.6759 Acres Located at 311 Colorado, 301 Colorado and 114 W. 3rd Street (the "Property"); Draft Downtown Density Bonus Program Portion of the Downtown Austin Plan Phase One

Dear Mr. Robertson:

As representatives of the owner of the above stated Property, we respectfully submit this letter requesting the Property be withdrawn from the Proposed Warehouse District boundaries included in the draft Downtown Density Bonus Program portion of the Downtown Austin Plan Phase One dated July 6, 2009. The support for this request is as follows:

1) The property located at 311 Colorado, 301 Colorado and 114 W. 3rd Street is developed with a parking lot. No historic warehouse structures are located on this site. Furthermore, City Council approved CURE zoning to increase the FAR to 12:1 on April 2, 2009. A copy of the Zoning Ordinance is enclosed for your review.

Please let me know if you require additional information or have any questions. Thank you for your time and attention to this project.

Very truly yours,

Michele C. Haussmann

Enclosures

cc: Greg Guernsey, Neighborhood Planning and Zoning Department (via hand delivery with enclosures)
Clark Patterson, Neighborhood Planning and Zoning Department (via hand delivery with enclosures)
Michael Knox, Economic Growth and Redevelopment Services (via hand delivery with enclosures)
Jana McCann, ROMA Design Group (via electronic delivery with enclosures)
John Beauchamp, Hixon Properties (via electronic mail without enclosures)
Steve Drenner, Firm (without enclosures)

ORDINANCE NO. 20090402-044

AN ORDINANCE REZONING AND CHANGING THE ZONING MAP FOR THE PROPERTY LOCATED AT 311 COLORADO STREET, 301 COLORADO STREET AND 114 WEST 3RD STREET FROM CENTRAL BUSINESS DISTRICT (CBD) DISTRICT TO CENTRAL BUSINESS DISTRICT-CENTRAL URBAN REDEVELOPMENT DISTRICT (CBD-CURE) COMBINING DISTRICT.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. The zoning map established by Section 25-2-191 of the City Code is amended to change the base district from central business district (CBD) district to central business district-central urban redevelopment district (CBD-CURE) combining district on the property described in Zoning Case No. C14-2008-0159, on file at the Neighborhood Planning and Zoning Department, as follows:

Lots 9, 10, 11, and 12, Block 29, Original City of Austin, as more particularly described in the plat or map filed in the General Land Office of the State of Texas (the "Property"),

locally known as 311 Colorado Street, 301 Colorado Street, and 114 West 3rd Street, in the City of Austin, Travis County, Texas, and generally identified in the map attached as Exhibit "A".

PART 2. The site development regulations for the Property within the boundaries of the CURE combining district established by this ordinance are modified as follows:

For a hotel-motel use:

A. Development of the Property may not exceed a floor-to-area ratio (F.A.R.) of 12.0 to 1.0.

B. If the F.A.R. exceeds 8.0 to 1.0:

1) Section 25-6-592 (C) (2) *(Loading Facility Provisions for the Central Business District (CBD) and Downtown Mixed Use (DMU) Zoning District)* is modified to allow loading and unloading for service deliveries in the existing alley connecting West 3rd Street and West 4th Street that is adjacent to the Property.

2) A site plan or building permit for the Property may not be approved, released, or issued, if the completed development or uses of the Property, considered cumulatively with all existing or previously authorized development and uses, generate traffic that exceeds 2,860 trips per day.

PART 3. Except as specifically restricted under this ordinance, the Property may be developed and used in accordance with the regulations established for the central business district (CBD) base district and other applicable requirements of the City Code.

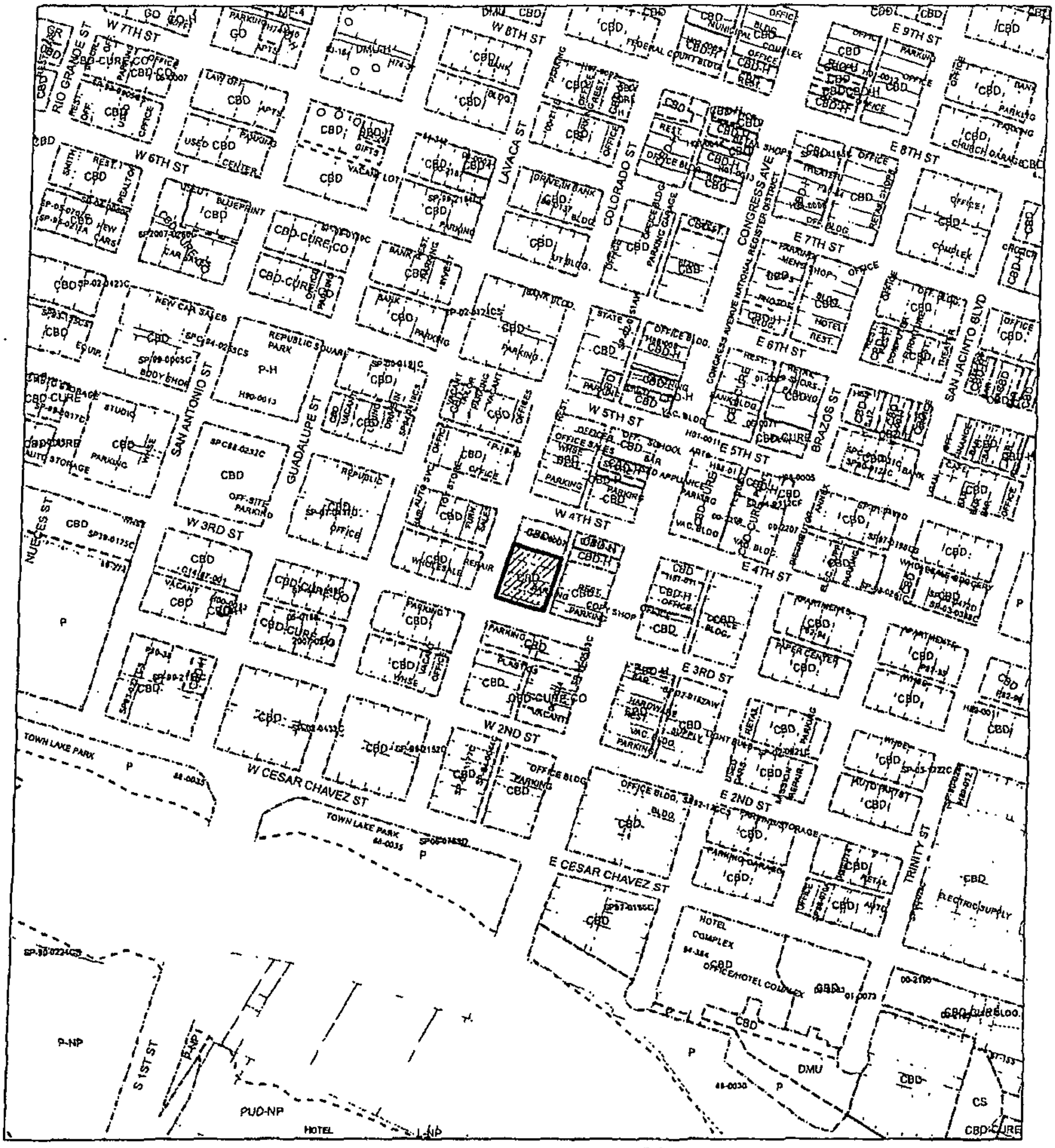
PART 4. This ordinance takes effect on April 13, 2009.

PASSED AND APPROVED

§
§
April 2, 2009 §
Will Wynn
Mayor

APPROVED: David Allan Smith, City Attorney

ATTEST: Shirley A. Gentry, City Clerk



ZONING *EXHIBIT A*

N

SUBJECT TRACT

ZONING BOUNDARY

PENDING CASE

OPERATOR: S. MEEKS

1" = 400'

ZONING CASE#: C14-2008-0159
ADDRESS: 311 COLORADO ST
SUBJECT AREA: 0.6759 ACRES
GRID: J22
MANAGER: C. PATTERSON

This map has been produced by G.I.S. Services for the sole purpose of geographic reference. No warranty is made by the City of Austin regarding specific accuracy or completeness.

CITY OF AUSTIN FOUNDED 1839

Austin Neighborhoods Council
General Membership Meeting
Austin Energy Building, 721 Barton Springs Rd.
July 22, 2009
7:00pm to 9:00pm

7:00pm Call to Order and Introductions

7:10pm Comprehensive Plan
Garner Stoll, Assistant Director Neighborhood Planning and Zoning Dept.

8:00pm Resolution on Water Treatment Plant #4 (vote – see I. below)

8:10pm Resolution on Density Bonuses and Compatibility in the Downtown Austin Plan (vote – see II. below)

8:20pm Worker's Defense Project

8:35pm Neighborhood Assistant Center
Carol Gibbs, Neighborhood Advisor, NPZD

8:40pm Announcements and Updates on On-going Issues
Questions for Crime Forum (Lisa Harris)
Austin's Heat Emergency Plan (Susan Pascoe)
Waterfront Overlay and South Shore PUD Update
Neighborhood Plan Contact Team and Interested Party Status
Local Historic District Ordinance Revisions
Heritage Tree Ordinance

9:00pm Adjourn

I. Resolution on Density Bonuses and Compatibility in the Downtown Austin Plan

Whereas, compatibility standards were codified by the City of Austin specifically to protect all residential neighborhoods from the negative impacts of commercial development; and

Whereas, during the Downtown Austin Plan process, it has been identified that revisions to compatibility standards in the downtown area will be addressed in a future phase of the plan yet density bonus recommendations are moving forward in the current phase; and

Whereas, there are significant concerns that if the protections afforded by compatibility standards are reduced then proposed height/density bonuses have the potential to destroy the integrity of historic single-family neighborhoods in the Downtown Austin Plan Area like Judges Hill.

Therefore, be it resolved, that the Austin Neighborhoods Council calls on the City Council to ensure that single-family neighborhoods in the downtown plan area are protected and preserved and that density bonuses be considered only in conjunction with compatibility standards.

The
WEST UNIVERSITY
NEIGHBORHOOD ASSOCIATION

June 22, 2009

The Honorable Lee Leffingwell
Mayor of Austin
City Hall
301 West 2nd Street, 2nd Floor
Austin, Texas 78701

Dear Mayor Leffingwell:

The Original West University Neighborhood Association (OWUNA) has supported, and continues to support, the thoughtful increase of density in our city's core. As a member of the Central Austin Neighborhood Planning Area Committee (CANPAC), our association was an integral part of the team that created the University Neighborhood Overlay (UNO).

To date, we are enthusiastic about the Downtown Austin Plan and respect the process the ROMA Design Group has followed in balancing the needs of stakeholders.

We are encouraged that following the public hearings on the plan, there was a decision to conform the Judges' Hill District borders to those of the Judges' Hill Neighborhood Association (West 15th Street, Lamar Blvd., MLK Blvd, and Rio Grande Street). However, we are very concerned about the reconsideration of density bonuses along the bluff east of Lamar Boulevard.

In order to protect the historic homes on the bluff, and the Pease Park greenbelt, we urge you to continue to exempt from density bonuses the bluff area east of Lamar from MLK to House Park, as provided in the current proposal.

info@westuniversity.org Steering Committee: Nuria Zaragoza | Karrie League | Ronnie Sawey
Matt Mowat | Mary Sanches | Pati White | Frank Foerster | Muriel Wright

The Honorable Lee Leffingwell
June 22, 2009
Page 2

Last, we request that compatibility standards be left in place in their current form within the area bounded by West 14th Street, Lamar Blvd., MLK Blvd., and Nueces Street to exempt this area from density bonuses.

Respectfully,

Nuria Zaragoza, President
OWUNA

cc: The Honorable Mike Martinez
The Honorable Chris Riley
The Honorable Randi Shade
The Honorable Laura Morrison
The Honorable Bill Spelman
The Honorable Sheryl Cole

Leak, Erica

From: Jay Tassin [JTassin@austin.rr.com]
Sent: Tuesday, July 14, 2009 6:05 PM
To: Leak, Erica
Cc: Robertson, Jim; schotz@bga.com
Subject: RE: Judges' Hill Position
Attachments: Density Bonus map JH flat small7.6.pdf; District Analysis_JudgesHill_flat 7x5.5.pdf

Erica,

Thank you for responding so quickly. Since you won't modify compatibility until later, we request as before that density bonuses along MLK and 15th be moved east to Nueces. Otherwise those 120-foot and 200-foot buildings will loom too high just half a block from single family historic homes and immediately adjacent to the historic Humanities Texas building (see these marked on ROMA's attached Bonus map).

In terms of our borders, we understand that they should not be conflated with bonus-eligible areas. However your statement that design guidelines, including compatibility standards, will be reviewed in a "district-specific" manner in Phase Two mandates that our neighborhood be made whole within Judges' Hill District. That was the case in the first ROMA map, but after the January 2009 meeting, which we missed due to your notice glitch, our district was carved up and some of our back yards on the west and our most important historical structures toward the east migrated to the Northwest District (see ROMA's attached District map; areas stripped from our District/neighborhood denoted by salmon color). This apparent gerrymander should be remedied before moving forward--otherwise we could end up with different compatibility/ design guidelines discussions for our homes and front yards vs. our rear yards.

Finally, we reiterate our position that compatibility standards must remain unchanged within bonus-exempt areas, in accordance with the preservation goals of said exemptions.

Best,

Jay Tassin
ANC Rep, JHNA

From: Leak, Erica [mailto:Erica.Leak@ci.austin.tx.us]
Sent: Tuesday, July 14, 2009 3:29 PM
To: JTassin@austin.rr.com
Cc: Robertson, Jim
Subject: RE: Judges' Hill Position

Jay,

In response to your voicemail message I received this morning and your message below, the issues you raise related to the boundaries of the Judges' Hill District and potential changes to compatibility standards will not be determined until later in the Downtown Plan process.

District boundaries are not the same as the density bonus eligible areas, and therefore should not be conflated with one another.

In relation to compatibility issues, as staff has mentioned in the past, compatibility standards will be reviewed as district-specific design guidelines are developed in Phase Two of the Downtown Austin Plan over the next year or so. They will not be changed at this point as part of the Density Bonus program. We do look forward to discussing potential compatibility options with you and other interested parties in the coming months.

Best wishes,
Erica

Erica Leak

Senior Planner
City of Austin
Neighborhood Planning & Zoning Dept.
T: 512.974.2856

From: Jay Tassin [mailto:JTassin@austin.rr.com]
Sent: Monday, July 13, 2009 12:24 PM
To: Robertson, Jim; Leak, Erica
Subject: RE: Judges' Hill Position

Thanks Jim and Erica. I appreciate the time you and your colleagues have devoted to our inquiries. My neighbors have two remaining concerns:

1. In view of the notice glitch that brought us late to the game, we'd still like the Judges' Hill Downtown District to conform to our traditional, official JHNA borders (Lamar, MLK, Rio Grande and 15th), which include important areas of transition from purely single family areas to those mixed with Light and General Office zoning. Two Council Members, unbidden, remarked that the finger of the Northwest District that divides our back yards to strip the bluff from the neighborhood looks like a "gerrymander", and we agree. That area contains a 1938 home built by Judge James McClendon for his daughter as a wedding gift and is separated from the Northwest District by the 15th Street overpass and House Park--it relates far more strongly to Judges' Hill.

2. We're can't support nearby density bonuses (they're a block closer than we'd requested) without first knowing how you plan to weaken Compatibility in the next phase. First, we need to know that Compatibility will be maintained unchanged within bonus-exempt areas, consistent with the preservation goal of that exemption. Secondly, it's now impossible to know how tall buildings within density bonus areas will be until the Compatibility issue is settled. For instance, how tall will buildings along Rio Grande be at their western edges when the next plan phase is complete?

The good news is we've come up with a compromise based on Richard Weiss' suggestion that Compatibility's angles be steepened. If they're doubled in density bonus areas, (see attached diagram), it allows 200-foot heights at the edge of affected zones, rather than the current 120 feet, which seems like a fair compromise. It will be important to reassure other central neighborhoods that this will only affect downtown density bonus zones, as they hesitate to support any change in Compatibility. We, however, feel the change is warranted in bonus zones as we support your goal of more density downtown. We look forward to walking to more restaurants, corner markets and other services/amenities that new density will support as your plan unfolds.

I'll see you at tonight's meeting.

Thank you,

Jay Tassin
ANC Rep, JHNA

From: Robertson, Jim [mailto:James.Robertson@ci.austin.tx.us]
Sent: Monday, July 13, 2009 10:54 AM
To: JTassin@austin.rr.com
Cc: Leak, Erica; Knox, Michael
Subject: RE: downtown districts query

Jay:

I understand that you spoke this morning with Erica. Let me add a couple bits of information that she may not have had.

Yes, absolutely, districts will continue to be used as a Downtown planning tool, in primarily two ways. First, we will be doing very detailed District Specific Plans – one for the Northwest District and one for the Core & Squares district. That work will occur slightly later in our schedule of work; probably beginning later this year. Second, we are in the process of preparing somewhat less specific "plans" for all of the Downtown districts – looking at goals and objectives, priorities for form and character, historic preservation issues, public improvement priorities, etc. This latter work will be the subject of a town hall style meeting that will occur late summer/early fall.

Issues such as the one you mention (borders of Judge's Hill) will be addressed both via the District Specific planning (i.e., Northwest District) and the broader district priorities planning.

Thanks for your continued interest in our work.

Jim Robertson, Architect
Manager - Urban Design Division
Neighborhood Planning and Zoning Department
City of Austin
505 Barton Springs Road
Austin, Texas 78704
T: 512.974.3564
F: 512.974.6525
jim.robertson@ci.austin.tx.us
www.cityofaustin.org

From: Jay Tassin [mailto:JTassin@austin.rr.com]
Sent: Friday, July 10, 2009 3:55 PM
To: Robertson, Jim
Subject: downtown districts query

Hi Jim,

I hope you're not too busy with so many folks on vacation. I left this as a phone message yesterday when you were out: Are Downtown Districts going to be used anymore as a planning tool? And have the borders of the Judges' Hill District been altered to conform to the neighborhood ass'n borders? I didn't see anything about it in the July 6th update.

Thanks again,

Jay Tassin, JHNA
236-1993

Recommendations by the Community Development Commission: June 29, 2009

Discussed and voted on the HousingWorks recommendations.

Official Minutes for Agenda Item 4.a. on the June 29, 2009, Community Development Commission meeting agenda:

4. NEW BUSINESS
   a. Discussion and possible approval of recommendations from the Housing Works Board of Directors to the City Council on the Downtown Density Bonus Program Report. The motion to approve the recommendations from the Housing Works Board of Directors to the City Council on the Downtown Density Bonus Program Report with friendly amendments to change the affordability goals to 15%, \$20/ square ft. for residential and commercial downtown area on TOD's and for no G.O. bond money to be used failed on Commissioner McCarver's motion, Commissioner Almanza's second on a 2-7-0 vote. The recommendations from the Housing Works Board of Directors to the City Council on the Downtown Density Bonus Program Report failed on Commissioner Paup's motion, Commissioner Smith's second on a 7-2-0 vote.

Recommendations on *Downtown Affordable Housing Strategy*

Introduction

Austin is one of the fastest growing cities in the nation. This growth, coupled with the desirability of Downtown, has created an immense affordable housing challenge. If not addressed, Downtown and all its opportunities — proximity to jobs, good schools, and a vibrant community —will increasingly be restricted to the wealthy. Meanwhile low- and moderate-income people, who through their work, social, and cultural contributions are essential to the city's life-force, will live further and further from the city center.

In recognition of this challenge, the City commissioned ROMA/HR&A to propose strategies to ensure that Austin's downtown revitalization makes the city livable, not just for a select few who can afford it, but for all.

This position paper sets our values and goals for including lower income residents in our redeveloping Downtown. As affordable housing advocates, citizens, consumers, and providers, our analysis is guided by our longstanding goal to advance housing opportunities for all types of Austinites in all parts of town, including Downtown. We endorse many of the strategies described in the ROMA/HR&A report, but argue for the need to go further in achieving housing options at a range of income levels. We argue that these goals can be achieved by using differing strategies to target different income levels. Specifically, we recommend that the City Council

Adopt an affordability goal that 10% of new Downtown housing be affordable with subgoals to meet a range of housing needs:

To achieve this goal, we recommend the following approaches:

1. Provide units for the 80-120% median-family income (MFI) market through density bonus programs that encourage unit development rather than buy-outs (target: 1,000 units). As the consultants note, the 80-120% MFI segment is important to the vitality of downtown. This also is the income level at which it is most feasible to achieve affordable units without major subsidies, through density bonuses and fee waivers, as recommended by the Affordable Housing Incentives Task Force. However, to achieve units, fees-in-lieu must be set at a level that encourages development of actual units in all but the most challenging projects; the current fee-in-lieu levels will encourage developers to buy out in virtually every instance. By using density bonuses to achieve units in the 80-120% income range, public subsidies can be targeted to lower income ranges.

2. Create affordable units from 30-60% MFI using public/private resources and density bonus buy-downs (target: 400 units). Units in the 30-60% MFI range can be provided through the layering of multiple tools, including general obligation bonds, funds from the fee-in-lieu pool, fee waivers, tax subsidies, federal resources such as low income tax credits, publicly owned land and buying-down of units from the 80% MFI level. Achieving units in this income range will require creative partnerships between public, private and non-profit entities, and the targeting of government subsidies and leveraging of publicly owned land for income levels below 80% of MFI; it will be most feasible in mid-rise and lower buildings (e.g., those height-limited by view corridors).

3. **Build a model Single-Room Occupancy (SRO) project Downtown for the homeless and others on fixed incomes who benefit from living near Downtown (target: 250 units).** As part of its recommendation to target very low and low-income housing in the Downtown Impact Area, the Housing Strategy recommends that the City build a SRO project downtown "to demonstrate best practices in supportive housing development and operation." Given the number of very low-income residents in Downtown, and the proximity to social services, we strongly support the recommendation for a model SRO in downtown Austin and encourage adoption of a longer term goal of at least 250 supportive housing units downtown for households making less than 30% MFI.

4. **Make the density bonus policy adopted by Council from the Affordable Housing Incentives Task Force recommendations viable by abolishing CURE zoning.** CURE's purpose—to obtain community benefits—has changed into a loophole to avoid community benefits, particularly the Affordable Housing Incentives Task Force's housing benefits. Ending the CURE loophole would encourage the provision of affordable units by developers seeking increased density, thus enabling moderate-income Austinites (80-120% of MFI) to live Downtown without any public subsidy. Consequently, we strongly support the Roma/HR&A recommendation to repeal CURE zoning.

5. **Apply density bonus policy equally to all types of Downtown development.** Applying the density bonus requirements differentially to residential properties gives preferential treatment to office and hotel that might discourage development of residential property. We dispute assumptions made about land value increases in the Roma/HR&A report, and note that changes in these assumptions would likely change the outcome of the model and may support the continued inclusion of office and hotel development in the density bonus ordinance.

6. **Protect existing Downtown affordability, including Lakeside Senior Apartments.** Redevelopment, with increased density, of Housing Authority properties is recommended in the Housing Strategy report as a means of increasing affordable units in and near downtown. The Lakeside Apartments, owned by the Housing Authority, is currently Downtown's only truly affordable housing. In keeping with Austin's strong community values on using public resources to serve the most vulnerable, any redevelopment effort must adhere to the Housing Authority's policy of on-site one-for-one replacement at the MFI levels currently being served.

These recommendations were endorsed by HousingWorks' Board of Directors on June 5, 2009

DOWNTOWN HOUSING AFFORDABILITY

Thank you for the opportunity to submit written comments on the proposed Downtown Density Bonus Program and the associated Housing Affordability Strategy.

I support increased density in Downtown Austin. One of the reasons is that I hope that a successful Density Bonus program will mitigate some of the gentrification pressures currently felt by some of the neighborhoods in the Housing Fee Investment Area.

CURRENT DOWNTOWN DENSITY BONUS PROGRAM

The consultant and staff have recommended the same housing affordability goals that are in the current Downtown Density Bonus Program. The program has produced no affordable housing and no fee-in-lieu payments. Housing construction continues downtown with no affordability and no dedicated funding source to underwrite housing affordability. It is time to re-examine downtown housing affordability goals as well as the strategies needed to achieve these goals.

GENERAL OBLIGATION BOND GOALS

In 2006, the voters of Austin approved the issuance of General Obligation Bonds for housing affordability for the first time. The housing affordability goals for use of GO Bonds were:

1. Homeownership at 65% Median Family Income
2. Rental at 50% Median Family Income

Households earning less than $40,000 a year would benefit from the issuance of General Obligation Bonds. These should be the same goals for Downtown and the Housing Fee Investment Area.

BUILDING ON SUCCESS

The City Council has already passed one density bonus program in the Housing Fee Investment Area that is linked to housing affordability; Green Building standards; increased accessibility for people with disabilities: and transit-oriented design. It is called the University Neighborhood Overlay (UNO). On page 8 of the July 6, 2009 Downtown Density Program report, we find documentation of UNO's success in its first four (4) years of construction:

1. 239 on-site affordable units completed
2. almost one million (fee) dollars generated for the UNO Housing Trust Fund

All UNO builders who seek height increases and compatibility waivers must meet the following standards:

1. All of the housing must meet Green Building and transit-oriented standards
2. 10% of the housing must be accessible to people with disabilities
3. 10% of the housing must serve households at or below 80% Median Family Income

4. 10% of the housing must serve households at or below 65% Median Family Income or the builder must pay a fee-in-lieu payment of $.50 per square foot for the conditioned residential space in the UNO development
5. 10% of the housing must serve households at or below 50% Median Family Income or below if the builder requests height increases in certain UNO districts
6. 20% of the housing must serve households at or below 50% Median Family Income or below if the builder receives funding from the UNO Housing Trust Fund

This is a model worth discussing Downtown and in the other neighborhoods in the Housing Fee Investment Area.

NEXT STEPS

1. Draft a Density Bonus Ordinance that incorporates the GO Bond Housing Affordability goals
2. Deny CURE requests that do not meet GO Bond housing affordability standards
3. Ask the following commissions to each appoint two members to work jointly and with stakeholders to respond to stakeholder concerns: Planning, Downtown, Design, and Community Development
4. Joint commissions would submit recommendations to the respective commissions by 12/15/09
5. Four commissions would submit recommendations to the City Council by 3/15/10

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From: Jo Kathryn Quinn [mailto:jkquinn@caritasofaustin.org]
Sent: Tuesday, July 21, 2009 8:41 AM
To: Dodge, Jessie
Subject: DRAFT email to City Council
Importance: High

Jessie – please forward. I don't have the most current email list.

ECHO Executive Committee – below is a draft email to send to City Council with regard to the ROMA briefing they will hear Thursday as discussed at our meeting last week. Please give me your feedback and edits before EOB today so I can send this in a timely manner. Thank you.

Dear Mayor (Leffingwell) and City Council Members,

(The) End Community Homelessness Coalition (ECHO) is working to make Austin a community fiercely focused on ending homelessness and has a specific goal to make homelessness rare and non-recurring in Austin/Travis County by 2020. We are aware that at your meeting this Thursday you are going to hear a briefing and recommendations by ROMA with regard to affordable housing downtown. One of their specific recommendations is to produce 170 units of Single Room Occupancy (SRO) units for workforce and supportive housing for special needs populations.

ECHO is asking you to support these recommendations and move forward toward making this a reality. SRO units are an effective tool to address homelessness as they are affordable and practical for extremely low-income individuals; and Austin's homeless services community has experience utilizing and managing such properties. Foundation Communities has produced 3 SRO complexes in Austin and they have made a positive impact to house people who would otherwise be homeless; and the supportive services offered therein serve as a tool for housing stability. Creating more SRO units, particularly downtown makes sense and fits well with Austin's goals and strategies to end homelessness.

Lack of affordable housing and poverty are major underlying causes of homelessness. Production of affordable housing for low-income people who live and work downtown will be a significant step to reducing the number of visible homeless people downtown.

Respectfully,
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